THE Freeman

IDEAS ON LIBERTY

DECEMBER 1961

Having Our Cake and Eating It, Too	*Clarence B. Carson*	3
The Freedom To Choose	*Fred DeArmond*	12
What Freedom Means	*Dean Russell*	18
A Basic Proposition of Conservatism	*Daniel K. Stewart*	22
Inflation Strikes Home	*H. P. B. Jenkins*	25
Saving, Foreign Aid, and Growth	*William R. Allen*	26
Alliance for Progress — or Socialism?	*Edwin McDowell*	33
Legal Federal Embezzlement	*Howard Buffett*	38
Danger: "Mindtraps" Ahead	*W. E. Sprague*	40
Look Behind the "Front" Words	*Melvin D. Barger*	50
Books:		
Prosperity Through Freedom	*John Chamberlain*	55
Annual Index		59

THE FOUNDATION
FOR ECONOMIC EDUCATION, INC.
Irvington-on-Hudson, New York

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

OUTSTANDING ADVANTAGES FOR SAVERS

COAST FEDERAL SAVINGS

OF LOS ANGELES

JOIN the more than 100,000 savers who hold individual, joint, trust, or corporation savings accounts at Coast Federal and get these important advantages:

UNMATCHED SAFETY—Assets over $450 million—third largest association in the U.S. Strong reserves and high ratio of cash and government bonds to assure withdrawal of savings immediately on request.

HIGHEST EARNINGS consistent with safety. Current rate 4½% per annum. Accounts opened by the 10th of the month earn from the first.

SAVE-BY-MAIL CONVENIENCE — Airmail postage paid both ways. Prompt, efficient service on all transactions.

INSURANCE—Each account insured up to $10,000 by the Federal Savings and Loan Insurance Corporation.

- ***FREE—Beautiful, full color Guidebook to Greater Los Angeles.***

COAST FEDERAL SAVINGS

JOE CRAIL, PRESIDENT

Coast Federal Savings, Department "H"
855 South Hill St. at 9th
Los Angeles 14, Calif.

(Please check-mark as desired.)

1. ☐ I enclose ☐ check, ☐ money order, to open a savings account in the following name or names:

_____

_____

2. ☐ Please send information and L. A. Guidebook to:

Name _____

Address _____

City _____ **Zone** _____ **State** _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INTERCONNECTING AND POOLING:

A SUPERIOR KIND OF ELECTRIC SERVICE ON A NATIONWIDE SCALE

Here is the kind of advanced electric service that America enjoys today from the investor-owned electric light and power companies—

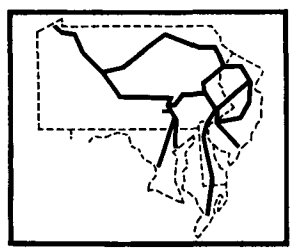
280,000 miles of transmission lines, plus billions of dollars in power plants—hydroelectric, steam and even atomic power—with many plants and lines tied together in giant networks, so that power can be sent where and when it's needed throughout the nation.

This is a bigger and more resourceful power system than any other in the world, and it has immediate advantages for every user of electricity.

It can help keep rates low. In many places customers of one investor-owned company benefit from the savings of the newest, most efficient plants of interconnected companies. Single large generating units can be built more economically than scattered smaller units.

Service becomes still more dependable. Homes and businesses have the advantages of big reserves of power from many areas. If an emergency shuts down a plant in one area, power is instantly brought in from others—perhaps hundreds of miles away.

Interconnecting and Pooling of power helps the investor-owned companies supply the bulk of America's electricity today. It is a big reason why they can supply all the additional electric power the nation will need for the new homes, new jobs and new businesses of the future.



49,000-square-mile example of the way Interconnecting and Pooling works—the Pennsylvania-New Jersey-Maryland pool. It serves large cities, small towns, suburbs and many kinds of farms—a population of 18,400,000. Power is sent back and forth as needed over interconnected lines of investor-owned companies. This always insures ample reserve for any need or emergency, without the needless expense of building duplicate facilities. The pool has been serving customers, and growing, for nearly 40 years.

Investor-Owned Electric Light and Power Companies
Company names on request through this magazine

Keep America Powerful

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE Freeman

DECEMBER 1961 Vol. 11 No. 12

LEONARD E. READ *President*, Foundation for Economic Education

PAUL L. POIROT *Managing Editor*

THE FREEMAN is published monthly by the Foundation for Economic Education, Inc., a nonpolitical, nonprofit educational champion of private property, the free market, the profit and loss system, and limited government, founded in 1946, with offices at Irvington-on-Hudson, New York. Any interested person may receive its publications for the asking. The costs of Foundation projects and services, including THE FREEMAN, are met through voluntary donations. Total expenses average $12.00 a year per person on the mailing list. Donations are invited in any amount—$5.00 to $10,000—as the means of maintaining and extending the Foundation's work.

Copyright, 1961, The Foundation for Economic Education, Inc. Printed in U.S.A.

Additional copies, postpaid, to one address: Single copy, 50 cents; 3 for $1.00; 25 or more, 20 cents each.

Permission is hereby granted to anyone to reprint any article in whole or in part, providing customary credit is given, except "Having Our Cake and Eating It, Too."

Any current article will be supplied in reprint form if there are enough inquiries to justify the cost of the printing.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Having Our Cake and Eating It, Too...

A critique of the report by the Presidents' Commission on National Goals.

CLARENCE B. CARSON

NATIONAL PLANNERS have a penchant for relieving us of the difficult task of making hard choices. Indeed, they make it appear frequently that there is no need for such choices. We shall be able to have all that we want without giving up anything significant. We can have social security without losing individual liberty, government aid without government control, receive help from groups to provide the intimate necessities of life and retain our independence.

This penchant is clearly and amply demonstrated in The Report of the President's (Eisenhower) Commission on National Goals. It is available to us in both clothbound and paperback editions as *Goals for Americans*. (My references will be to the paperback edition published by Prentice-Hall as A Spectrum Book.) The Report has two parts: a statement by the whole Commission which purports to represent their collective judgments, and chapters by individual authors, some commission members and some not. The Commission, chaired by Dr. Henry M. Wriston, had eleven members ranging from former college presidents to a labor leader. The undertaking was administered by The American Assembly, Columbia University.

One of the most interesting and confusing aspects of the Report is its many professions of devotion to the individual, his freedom, ful-

Dr. Carson is Associate Professor of History at Jacksonville State College in Alabama.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fillment, and protection. This is made remarkable, of course, by the fact that virtually every concrete proposal is for some kind of collectivistic action. This is a constant theme in the work, both in the Report of the Commission and in many of the individual chapters. I want, then, to examine this apparent contradiction and try to determine whether they have resolved it or not.

The Report contains numerous references to the primary importance of the individual. To wit:

> The status of the individual must remain our primary concern. All our institutions – political, social, and economic – must further enhance the dignity of the citizen, promote the maximum development of his capabilities, stimulate their responsible exercise, and widen the range and effectiveness of opportunities for individual choice. (p. 3.)
>
> Respect for the individual means respect for every individual. (p. 4.)
>
> The degree of effective liberty available to its people should be the ultimate test for any nation. (p. 4.)
>
> Individuals should have maximum freedom in their choice of jobs, goods, and services. (p. 9.)

The authors of the individual chapters are just as profuse in their concern for the individual. Here are a few excerpts:

Dr. Henry M. Wriston, in the chapter on "The Individual," says:

> One man's freedom should involve no trespass upon others' rights to life, liberty, and the pursuit of happiness. (p. 50.)
>
> The acid test of successful democratic government is the degree of effective liberty it makes available to the individual. (p. 48.)

Mr. Clinton Rossiter, in the selection called "The Democratic Process," declares:

> The price of liberty, today as through all history, is self-reliance and self-discipline. (p. 76.)

Dr. John W. Gardner, "National Goals in Education," maintains:

> Our deepest convictions impel us to foster individual fulfillment. We wish each one to achieve the promise that is in him. (p. 81.)

Dr. Warren Weaver, "A Great Age for Science," asserts his belief in "the transcendant importance of the imaginative *individual worker*, free to think about any scientific problem that arouses his curiosity and attracts his mind." (p. 106.) There are kind words in the report for free enterprise, individual initiative, and individual responsibility.

If we knew no more than this about the book on *Goals for Americans*, we might conclude that it is a new declaration of independence cast in the mold of romantic individualism. There is little, if any,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in what I have quoted to which Benjamin Franklin, Thomas Jefferson, George Mason, Richard Henry Lee, or Ralph Waldo Emerson might have objected. One might expect that the concrete proposals of the Commission would be along the lines of the reduction of governmental operations, limitations of the powers of regulatory commissions, curtailment of the taxing powers of government, restoration of the responsibility of parents for their children, and an increase of privately initiated, financed, and managed activities. Such expectations would be badly disappointed.

Intervention Recommended

By what means does the Report seek to implement its professed concern for individual liberty, free enterprise, the fulfillment of the individual, and the like? The Commission recommends increased government spending, government manipulation of thought, maintenance of regulation, and, in general, extensions of the collective effort. Some excerpts from the Report of the Commission will indicate this:

One role of government is to stimulate changes of attitude. (p. 4.)

Greater resources – private, corporate, municipal, state, and federal – must be mobilized. A higher proportion of the gross national product must be devoted to educational purposes. (p. 6.)

The economy should grow at the maximum rate consistent with primary dependence upon free enterprise and the avoidance of marked inflation. Increased investment in the public sector is compatible with this goal. (p. 10.)

Government programs of help for farmers, including price supports and other means to prevent collapse of incomes, will continue to be necessary for some time; they must be so managed that they cushion the shock of the transition, without unduly slowing the pace of necessary fundamental adjustments. (p. 13.)

We must remedy slum conditions, reverse the process of decay in the large cities, and relieve the necessity for low-income and minority groups to concentrate there.

We should also seek solutions for haphazard suburban growth, and provide an equitable sharing of the cost of public services between central cities and suburbs. (p. 13.)

Federal grants for the construction of hospitals should be continued and extended to other medical facilities. Increased private, state, and federal support is necessary for training doctors. (p. 14.)

In addition, there should be established a federal reinsurance program for states with temporary acute employment problems. Public and private arrangements for maintaining income during sickness should be improved. (p. 15.)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Lip Service to Liberty

The character of the report begins to manifest itself. It pays lip service to such traditional American ideals as freedom for the individual, individual fulfillment, free enterprise, and individual responsibility. It makes concrete proposals, however, for collective responsibility, government stimulation and planning for the economy, urban renewal with the aid of the national purse, and national more often than individual fulfillment.

The reconciliation of opposites is possible by the manipulation of words, so long as the words are vague and undefined. The Commission demonstrated this principle adeptly. For example:

> The federal government supports more than half of the research and development in the United States. It is of urgent importance that the administration of its scientific and technical programs be strengthened, but without resort to bureaucratic overcentralization and planning. (p. 8.)

Is this to be an unplanned strengthening of the administration of the programs? When does bureaucratic centralization become "bureaucratic overcentralization"? It appears to me that the Commission is saying something like this: "Tighten the nut on the bolt, but leave it as loose as it now is." The Commission must have had in mind the example of the Defense Department, unified but separate, co-ordinated but each service acting in its own way!

Or consider this example of proposals to go in both directions at once. At one point, the Report of the Commission advocates the enlargement of "local discretion, as for example in the handling of matching federal grants...." (p. 6.) Elsewhere they say, "The federal government should enforce the principle that federal funds shall not be disbursed to employers who discriminate on the basis of race. Similar policies should progressively be applied to federal grants for universities, hospitals, and airports, and to federal housing programs." (p. 4.) To state it abstractly, the Commission favors enlarging local discretion by increasing federal intervention. It is no wonder that men who reason thusly can believe that individual liberty can be promoted by governmental intervention, or that collective responsibility can be assumed for the well-being of each of us without any loss of individual initiative. The confusion of these men is more apparent than real, however. Without questioning motives, I would suggest that these men are not informed by the ideas of individualism, whatever the appearance to the contrary.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Their tribute to the individual is only a pious pilgrimage to the grave of an ancestor. Their very willingness to draw up such comprehensive goals for the nation attests to the enfeeblement of their individualism. Their concrete proposals involve the increased activity of some collective, corporate, community, city, state, and/or national organization. Judging by what they recommend, no single activity can be left solely to the individual; not unemployment insurance, nor the arts, nor the development of resources, nor housing. There are no concrete proposals for protecting the individual from governments, despite the vast increases in governmental activity which the Commission advocates. To the contrary, there are subtle suggestions for removing such limitations as now exist in the congressional power of appropriations, and in the virtually unlimited debate in the Senate.

"Social Necessities"

The very manner in which Dr. Henry M. Wriston, in his chapter on "The Individual," defines the conflict between individual and social realms shows that his individualism is only vestigial. He says, "In a society so completely, and complexly, organized as ours, in a world so interdependent and so disturbed, the choice between *individual desires* and *social necessities* becomes difficult." (p. 49, italics mine.) Who would care to defend individual desires when social necessities are in conflict with them? I had not supposed that an individual's desires mattered to anyone except himself. Those who established the Republic thought in terms of the natural *rights* of the individual, not his *desires*.

It is plain in another instance that Dr. Wriston does not think in terms of individual rights. He declares, "Property and business exist for the benefit of individuals and have no inherent rights." (p. 52.) This is a truism and a circumlocution of the question it purports to raise. The question is not, nor should it ever have been, whether property has rights but whether individuals have *rights* to the use of the proceeds from the property which they own or rent. This is the central question about property with which individualism is concerned.

The Commission concludes its report by urging individuals to assume their responsibilities. One might suppose that the Commission would avow the primary responsibility of the individual for his own well-being. It should follow, then, that they would recommend such things as private savings against misfortune, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

avoidance of indebtedness which limits independence, the securing of private property by which the individual might provide for his needs, and the restoration of primary responsibilities to the home.

Personal Responsibility Called "A Purely Selfish Attitude"

I am dreaming, of course. No perceptive person who had read as far as "A Concluding Word" in the report would have expected any such denouement. There is an oblique reference to the American's responsibility "for his own life and livelihood," but the concrete proprosals which follow deal with our responsibilities to others. An individual who did devote himself primarily to his personal responsibilities is no doubt condemned by the Commission's edict against "the fallacy of a purely selfish attitude – the materialistic ethic. Indifference to poverty and disease is inexcusable in a society dedicated to the dignity of the individual; so also is indifference to values other than material comfort and national power." (p. 23.) We are, instead, to assume responsibility for everyone else. "A basic goal for each American is to achieve a sense of responsibility as broad as his world-wide concerns and as compelling as the dangers and opportunities he confronts." (p. 23.) Apparently it does not trouble the Commission that individuals who cannot provide for their own private medical needs should assume the responsibilities of the whole world.

Language, when not used in full consciousness of its portent, can betray the true orientation of the writer. So it is with Dr. Wriston when he says, "The basic natural resource of the United States is its people. It follows inescapably that the first national goal to be pursued – at all levels, federal, state, local, and private – should be the development of each individual to his fullest potential." (p. 53.) There are some "nice" words in the quotation which give the whole a soothing quality, but what is he saying? He is saying that the individual is a "natural resource," a resource of the nation, a subject for "national goals," something that is to be fully developed so that he can benefit us all. Fair words obscure the radical character of such thought. Does the individual exist for the nation, or does the nation exist for individuals? If I am a "natural resource of the United States," I must conclude that I exist for the State.

Man a Natural Resource

How far are the United States from their foundations when national leaders refer to human be-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ings as natural resources, when individual fulfillment has as its end the meeting of national needs, when individual responsibility is defined as responsibility for all mankind, when private property is subtly attacked in the name of the individual, when the extension of collective activity is urged in the name of individual liberty? Toward what kind of society would the "goals" of the Commission take us (whether wittingly or not)? What rights would remain for the individual in such a society? Would it not be a society in which everyone is "developed" to his fullest (whether he will or no?), in which each is responsible for all and all are reponsible for each, in which it is one's "duty" to contribute significantly to the general welfare? How much longer can such a society permit the wasteful *"laissez-faire"* practice of individual choice of vocation? Lest I be accused of imagining such dangers, note this pronouncement by the Commission:

> We must use available manpower more efficiently. The practice of wasting highly trained people in jobs below their capacity . . . must be eliminated. (p. 8.)

Suppose I were to insist upon wasting my talents, would I have to be eliminated also?

I deal here with the tendency of these ideas, of course, not entirely with the stated objectives of the Commission. Yet it is the tendency which is most important when we are thinking in terms of developing a society. Even a jet plane goes from one port to another inch by inch, as it were. The tendency of the Report of the Commission is toward a totalitarian society, however far we may be from that destination. We should attend more to those who have lived in such a society, and listen to what they protest against. Czeslaw Milosz, in *The Captive Mind* (New York, Vintage Books, p. 240), was not bemoaning the shortage of shoes under Communism or the long hours of work. Read his concluding statement:

> When . . . I stand before Zeus (whether I die naturally, or under sentence of History) I will repeat all this that I have written as my defense. Many people spend their entire lives collecting stamps or old coins, or growing tulips. I am sure that Zeus will be merciful toward people who have given themselves entirely to these hobbies, even though they are only amusing and pointless diversions. I shall say to him: "It is not my fault that you made me a poet. . . . I felt that if I did not use that gift my poetry would be tasteless to me and fame detestable. Forgive me." And perhaps Zeus, who does not call stamp-collectors and tulip-growers silly, will forgive.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mr. Milosz has seen that there can be no room for the human spirit in a society animated by necessity (called History in the Communist orbit), in a planned society, in a society where all activities must be socially significant, where the common good is the final arbiter of what can be done.

Ominous Implications

My purpose here is not to indict those who worked on *Goals for Americans* for whatever beliefs they may hold about the good society. The tendency of the report, however, is ominous. Its implications are misleading. It implies that there are no hard choices confronting us. It implies that we can have both free enterprise and government guaranteed security, that we can increase collective action with little danger to individual liberty, that the federal government can be extended into virtually every area of life without deadening individual or local initiative.

The Commission invites discussion but does not pose alternative courses for us to discuss. The most insidious thing about the Report is its failure to present the broad range of alternatives which confront us today. It implies, instead, that we do not have to make any choices among the many values which we may seek, that we can have our cake and eat it, too. Yet just as choice is the *sine qua non* of freedom, so it is the heavy price of freedom. The individual cannot participate in a group without yielding up some of his autonomy to the group. He cannot accept aid from others without having his existence conditioned by that aid. The man who cannot bear to be alone will have to learn to put up with the inconveniences of company.

It may be, at best, that for every gain we make there is a corresponding loss. At any rate, there are no choices which are between everything we desire on the one hand and things we loathe on the other. The choice should be made in terms of what is ultimately most important. If liberty is most to be desired, we must sometimes choose between it and a government guarantee of security. If the individual is most important, we may sometimes have to see organizations destroyed.

All our choices are not always so immediately pressing as the above might be understood to imply. Yet each direction that we take by each action is a choice which, when its tendency is traced out, points toward some goal. Failing to name the goal does not prevent movement in the direction of it. No more will neglecting to choose as a result of bringing the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

choices into focus keep us from going in some direction. The Commission, by the vagueness of its vocabulary and looseness of its thought, has obscured the choices available and created a verbal illusion of compatibility between individualism and collectivism. Its statement of goals implies that we can maintain our traditional values – individual liberty, personal independence, and private realms – by adoption of a social ethic which leaves no room for them. They may conjure up a make-believe universe in which such things are possible, but it is not the one I inhabit.

The world known to man through the centuries is one in which Socrates drank the cup of hemlock, in which Jesus of Nazareth was crucified, in which Columbus died in disgrace. It is a world in which the right choices sometimes lead to apparent defeat. It is a world in which the nation unwilling to risk failure by maintaining its principles will fail because it will be corrupted by its own actions. It is one in which the man who fears to stand on his own two feet may find help to stand, but he will be propelled in undesired or unchosen directions by those who uphold him.

Those who would outline national goals should do so with fear, trembling, and humility, conscious of the consequences of whatever direction they take. They should be aware of the numerous choices which confront us. They should have some acquaintance with the universe in which we actually live. They should know that it is one in which you can't have your cake and eat it, too. ◈

IDEAS ON LIBERTY

The Master Word

THOUGH LITTLE, the master word looms large in meaning. It is the "open sesame" to every portal, the great equalizer, the philosopher's stone which transmutes all base metal of humanity into gold. The stupid it will make bright, the bright brilliant, and the brilliant steady. To youth it brings hope, to the middle-aged confidence, to the aged repose. It is directly responsible for all advances in medicine during the past 25 years. Not only has it been the touchstone of progress, but it is the measure of success in everyday life. And the master word is *work*.

WILLIAM OSLER, M.D., 1849-1919

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Freedom To CHOOSE

FRED DEARMOND

AS A YOUNG MAN and a dreamer I went through the rebellious stage when socialism appeared to me as the hope of an erring world. I read *The Nation* and the little Blue Books, published by E. Haldeman-Julius and authored by that remarkable stable of writers that he enlisted. Among them were some literary geniuses and more who represented the long-haired *avant garde* of contemporary reform—the skirmish line for our present heavy thunder of socialism's legions.

The claim for the new order that appealed most strongly to me at that time was the efficiency that it was to usher into economic life. Think of all the waste in a competitive system: three men delivering milk or laundry in the same block, when one could do it and end all the duplication of driving and equipment and begging for business; farmers and manufacturers providing too much of some things and not enough of others; abortive business failures, dog-eat-dog competition. If all this activity were organized and planned intelligently, then Thoreau's dream of living comfortably and working at a dull repetitive job only six weeks a year could be made a reality. Then, too, Oscar Wilde's aim, so alluringly voiced in his *Soul of Man under Socialism,* to "reconstruct society on such a basis that poverty will be impossible," might be realized.

But I was fortunate in having an older and wiser friend with whom to discuss my aspirations for a better world. "Yes, it does look inviting at first glance," he said to me. "But here's what is principally wrong with the whole scheme of the Socialists. It would deprive men of the right to choose.

Mr. DeArmond, salesman, writer, and business consultant on personnel training, is a contributor to numerous periodicals and the author of books such as *The Executive at Work* and *How To Sell and Unsell Ideas.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

That is one of the basic freedoms that I cherish, and I believe you do, too."

My friend went ahead patiently to explain that when a man examines his own motives, he doesn't want the good life prescribed for him by anyone on earth. He wants to choose the road he will travel, decide for himself, make his own mistakes.

Later, I came to see how true this was. Then I realized that the nearest thing to paradise a man can hope to attain in this world is to get up in the morning when he chooses, eat what he chooses for breakfast, choose what he will do for the day, where he will go, where he will live, and with whom he will associate. This, of course, is a Utopia not often completely realized. But we approach contentment in just about the degree that we are free to choose for ourselves.

That wise old seer, Ludwig von Mises, has pictured the horizon of choice in his *Human Action*. Choosing determines all decisions, he says. More, "all human values are offered for option. . . . Man never chooses between two modes of action which we call, from an adopted point of view, virtuous or vicious." The various courses are arranged in a row before him. He picks out one and sets aside the others.

The Importance of Saving

An important area of choice in the economic zone is that between present gratification of immediate desires and the expectation of future pleasures. Every time one chooses the former, he spends, and when he chooses the latter, he saves. Saving was once considered good, by the old-fashioned standards of Ben Franklin. Then John Maynard Keynes sold America as well as his native Britain the modern philosophy that spending is a good word and saving a bad word. But if past generations had not chosen to save, how could we have all these great industries to produce goods and provide jobs?

Collectivism in all its forms is basically a denial of free choice for the individual. The regimenters say people are incapable of choosing what is best for them. When that doctrine is refuted, they retire to an inner fortress of polemics and maintain that such choice is not for the good of society as a whole. "The greatest good for the greatest number" is their final dogma. No tyranny in history has been so monstrous but that it could be defended on this pragmatic ground. What are a few million lives of Russians or Chinese in the scales against some fanatic's notion of well-being for generations yet unborn?

The area left for human choice

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

has been and is being pushed back in this country by a continually moving fence of government controls. Fifty years ago individual liberty was just passing its peak in America. Since then it has been trending steadily downhill along the slope of central authority and prescriptive rule of colonial days under the English Georges, which the pioneers had shed their blood to change. It is the most remarkable and fearsome cyclical reversion of our times. Fearsome because on below the present downward slope is a swampy lowland where liberty may be so restrained that Americans will look back to 1961 as a golden age by comparison.

Dwindling Area of Choice

In 1911 an American could choose where to spend or invest practically all his earnings. Then we had no income taxes, but held to the wise provision in the first article of the Constitution, which reads that "representatives and direct taxes shall be apportioned among the several states . . . according to their respective numbers." Today an American has, on the average, control over less than two-thirds of his income. In the above-average brackets he may have as little as 9 per cent to dispose of as he chooses. Taxes are confiscating wealth faster than as a nation we can produce it, says Wyatt F. De Loache, an official of Dupont's Extension Division.

The stopping-point in government control of our money is not in sight. In fact, the outlook in 1961 is darker than ever before. The economic advisers of the new administration agree with one of their number, Harvard Professor John K. Galbraith, that the people are far too affluent. Much more of their income must be taken by government for "socially desirable" ends. The people's morals and culture will be improved if they have less to spend on elegant autos, exotic foods, erotic clothing, and all the other things that Americans choose to buy with their own money.

We do not have the choice of whether or not to invest in government bonds. Our savings in banks, investment companies, and insurance are in considerable part in these securities without the investor having any choice about it.

The Right To Work

The American of 1911 could contract to work for almost any employer of his choice. Today, in a large segment of industry, he can take a job only if he has a union card or agrees to get one within sixty days. Then, except for a few tightly organized areas, he could join a union or not. Now

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

he is denied that choice in most trades.

It is no answer to say that the majority of union men seem to prefer it that way. In some dictator-led unions we have been shown by the congressional investigations that there is no such thing as free expression of views. And well over half the nation's workers are still unaffiliated with the unions and entitled to choose how they shall bargain with employers.

In the Taft Administration no one questioned the inalienable right of an employer to choose for a job the best available applicant, or the one he thought he could get along with best. Now, in some states, he may have to answer to a board which says in effect, "You have discriminated against this race, or that religion, because it had more applicants than the one represented by the person you hired. We can't permit that." A militant minority in the Congress clamors for a Fair Employment Practices Act which would make this restriction national.

When To Sow, When To Reap

Had anyone told an American farmer in 1911 that he would live to see the day when he would have to obtain permission from a federal official before choosing to plant his south forty in wheat, the farmer would have laughed at such a fancy. But it has come to pass; farmers have actually been taken to court for harvesting a wheat crop for the market.

No longer can men and women choose when they will retire or how much they can earn by part-time work after retirement. That is prescribed for them in most instances.

The businessman's traditional right to set the prices for his goods or services has been hedged in to the point that he can't be sure whether he has violated one law by pricing too high or another law by making his prices too low. He is rightly prohibited from price collusion – by a federal law enacted in 1889 and recently shown to be still adequate for its purpose.

To speculate on what will be next is to open up an unpromising prospect. In view of the federal government's assumption of a substantial part of the responsibility for education, how much longer will your school board be free to choose textbooks your children and grandchildren will study? Is the freedom to choose your doctor and hospital to last much longer? Are we heading for some sort of resurrected caste system under which the careers that youth embark upon will be chosen for them? Aldous Huxley's *Brave New World* and George Orwell's *1984* have become much more than nov-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

elists' fancies. Today they are apparitions of what may happen here.

"Essential to Survival"

At this point I pause to give the Planners their chance for rebuttal. I know what they will say first. "But limitations on freedom of individual choice are essential to survival. You wouldn't permit people to choose all sorts of unsocial conduct. That would be a reversion to barbarism."

This much, of course, must be granted. There are some choices that we cannot leave to individual discretion without inviting anarchy. No one in possession of normal faculties would leave a wife in possession of the liberty to choose another husband more to her fancy without going through certain processes of law. In business, practices of deception and fraud have long been proscribed alike by public opinion and common and statute law. But in our time no businessman knows for sure what he can and cannot do, because he is subject to a myriad of regulatory orders by quasi-legislative, quasi-judicial boards and commissions in Washington, all having the force of law. Congress has abdicated much of its authority to the bureaucrats. The area of executive decision – freedom to choose the wisest course – is being narrowed hourly.

Von Mises says, "We do not assert that man is (entirely) free in choosing and acting. He is subject to inherited characteristics – his biological patrimony . . . . Man is free in the sense that he must daily choose anew between policies that lead to success and those that lead to disaster, social disintegration, and barbarism."

Both von Mises and F. A. Hayek (*Individualism and Economic Order*) stress the dependence of sound choice on the chooser's sense of values. The expression of values we call judgment, and it comes from character and experience even more than education.

We cannot permit freedom of choice to a patient in a hospital without endangering the success of his treatment. Nor can a prison inmate be given much choice while he is under discipline for his misdoings.

But the necessity of protecting freedom of choice, as the basis of all freedoms, from merely bureaucratic curtailment is not to be refuted by attacking these absurd exceptions that only prove its essential worth. The application of all rules must be varied for fools and criminals. However, we may well preserve even the right of a citizen to make fool choices, as long as in doing so he doesn't trample on the rights of others.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We Never Had It So Good!

The advocates of statism will raise another objection on strictly empirical grounds. "These fifty years when you say that freedom has been eroded in so many particulars have been years of fabulous advances in material well-being. We never had it so good before. Do you want to go back to the way people lived in 1911?"

This argument is specious but false. It begs the whole question by posing two fallacious assumptions.

Assumption No. 1 is that "standard of living" is the only or the chief yardstick of human happiness. It leaves unanswered the question: Are people on the whole happier than they were in 1911, when their freedom to choose was so much greater? Have their spiritual resources been undermined? Could they endure with fortitude another terrible ordeal such as they met successfully in 1861-65?

Assumption No. 2 is that there is some relation of cause and effect between the rise of statism and the advance of twentieth century technology that has brought so many new inventions and the ability to produce and distribute more goods to more people. There is no valid evidence of any correlation between the two phenomena. On the contrary, the dead hand of bureaucracy and the restraints of collectivist "reform" have acted to bar material progress in many ways. To mention only one area, this influence has kept agriculture from realizing the shining promise of natural development in keeping with the scientific spirit of the age. Statism has created large new problem areas that under individual enterprise would not have confronted us: in foreign trade and labor relations as examples. Henry Wallace's effort in the 1930's to rig higher prices for the cotton farmer caused the United States to lose its position in the world cotton market and heavily restricted our exports by building up competition from other countries. The Wagner Act and its National Labor Relations Board displaced genuine collective bargaining between management and labor with a new form of collective bludgeoning which still prevails.

We must remember, too, that the American economy didn't stand still before the coming of the collectivist revolution. It could be shown that material progress from the end of the Civil War to 1911 was relatively even greater than it has been since that time. We have reason to believe that unfettered individualism would have accomplished more, rather than less, in the past fifty years, than we have witnessed, and at the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

same time have preserved these lost freedoms. Nor is it too late to deflect the present trend.

If we are to continue as free-born Americans, we should not, in Emerson's words, "abdicate choice." Actually we have already abdicated shockingly large areas of choice. With every session of Congress and of the fifty legislatures, to say nothing of the city councils and the daily grist of orders and regulations from hundreds of boards and commissions, commanding the citizen he must do this and he must not do that, free choice is being suppressed at an alarming rate. These omniscient planners are deciding for us. Every day the difference between being in prison and out of prison becomes less. And that man with the brief case, from the IRS, may be ringing your doorbell today to spell it out for you. ◈

What FREEDOM Means

DEAN RUSSELL

MORE MONEY is being spent today than ever before to sell "freedom and the American way of life." Literally, hundreds of millions of dollars are spent every year on this project, at home and abroad. In my opinion, almost all of it is wasted, including both governmental and private expenditures.

The primary reason for this is that the persons who are conducting these sales campaigns seem to think that freedom is a tangible product. Thus it is hardly surprising that they try to sell freedom in exactly the same way that has proved so successful in selling soap.

But freedom is not a product; it is an idea – an abstract, hard-to-understand, and generally unpopu-

---

Dr. Russell is Professor of Economics at Rockford College and Chairman of the Department of Economics and Business Administration. This article is from his weekly editorial column in the Sunday edition of the *Rockford* [Illinois] *Morning Star*, July 23, 1961.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lar idea. Since freedom is not a product, it cannot be bought or sold. With that in mind, examine the central theme of these advertisements and campaigns for freedom and the American way. You will usually find the promise that "freedom will provide you with more bathtubs and automobiles than communism will."

That statement is true enough, but it hardly inspires men's souls. While I enjoy bathtubs and automobiles (and own two of each), I am not willing to die for them. If necessary, however, I am willing to die for freedom. Since I will not give up my life for an automatic dishwasher or central heating, just what is this abstract idea of freedom that I find so precious?

The Kind of Freedom the Founders Sought

Perhaps a logical starting point for our discussion would be to examine again the concept of freedom for which the founders of this nation were willing to sacrifice all of their material wealth, and their lives, too. Read their letters and speeches and books – the ministers, statesmen, farmers, merchants, lawyers, and others who advocated and led our revolution for freedom. You will be hard put to find any promise that freedom will bring to its defenders a higher level of material living. (It will, but that is a mere by-product.)

Our forefathers who fought for freedom never claimed that it would provide more buggies and wagons than socialism would. (It did, but that is merely one of the results of freedom, not freedom itself.)

True enough, the founders of this nation believed firmly that private ownership of property undergirds freedom. And all of them said so, loudly and clearly. Thus, of course, they were willing to fight for that, too. But note that they fought for the right of ownership (the abstract idea) rather than for the property itself.

They fought for the right of a person to go into business for himself – if he wanted to, and if he could earn, borrow, or inherit the necessary capital.

They fought for the right of any person to hire any other person to work for him, on terms mutually agreed to by both individuals.

They fought for what is perhaps the key to all freedom – the right of a person to quit his job for any reason whatever, and to try to find another one. They fought also for the equal right of an employer to fire any employee he chooses to fire, and for any logical or illogical reason he may have. Realists like

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Franklin and Madison were well aware that the one right cannot long exist in the absence of the other.

Above all, they fought to keep their own government (their own duly elected officials) out of their personal and business affairs. They fought to preserve the right (the chance, the possibility) of any person to become a millionaire or a pauper – as ability and luck might determine. They fought to preserve the precious right of persons to love their fellow men and to be charitable to them, if they choose to do so. In short, they fought for the abstract idea that is freedom –that is, the "exemption from necessity, in choice and action."

Can you imagine our "Voice of America" trying to explain that nonmaterial and abstract idea to the "uncommitted nations of Asia and Africa"? I can't, for two reasons.

If We Do Not Believe

First, we Americans don't believe in freedom any more; we would rather have government-guaranteed security. Second, even if we did believe in it, the Africans (and Europeans and Americans and Asiatics) wouldn't understand such an abstract idea of personal responsibility anyway. Thus, since we no longer have an abstract ideal to offer them, we try to sell them the only thing we seem to have left –material rewards like the tangible money payments from compulsory social security. We rhapsodize about our public housing developments and hydroelectric dams that all of us are forced to pay for, and that can actually be photographed and shown to the leaders of the new nations as examples of what they should do. We pridefully recount the actual jobs that are guaranteed or provided by governmental decree. And so on through all of the realities and promises of material benefits that underlie our compulsory social programs.

We talk about sacrifice but vote for more subsidies and material benefits. We Americans have so lost our way that it should have surprised no one when our leaders actually appointed a committee to try to find for us some acceptable national purpose! As could have been predicted, of course they failed miserably. Even so, perhaps we can draw some comfort from the fact that our leaders at least realize that something is missing.

This emphasis on government-guaranteed material possessions may now well be the "American way of life" (just as it has always been the communist way of life), but it most definitely is not freedom. That disappeared with the advent of the words "compulsory, forced, governmental decree," and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

so on. Freedom (choice) for the farmer really disappeared when he accepted those first "free" seeds from government; the present controls over what and how much he may grow followed automatically. Freedom (exemption from necessity) for employees disappeared with the Wagner Act (and its successors) that permits and encourages labor leaders to force them to join a union against their wishes. Freedom (choice in action) disappeared for all of us when the government first compelled us to pay tribute to its alleged insurance scheme whereby everybody is promised that he can live at the expense of everybody else. And so on and so on through the thousands of other material schemes that compel peaceful persons to participate against their wishes.

We Fly False Colors

Today we are trying to sell these compulsory material aspects of our society under the fraudulent label of freedom. The Communists will continue to beat us at this game for two reasons. First, they can (and do) outpromise us in material benefits. Second, and by far the most important, the Communists understand that men prefer to fight for abstract ideals that appeal to their souls instead of their bellies. Thus, though they have no intention whatever of fulfilling their promises, the Communists speak of the abstract ideals of brotherhood, peace, equality, dignity, and so on. Meanwhile, we Americans keep yapping about material bathtubs, automobiles, soap, guaranteed jobs, compulsory social security, and federal aid to state and local governments. Can you find anything worth fighting and dying for in any of them?

If my political leaders decide that it is necessary for me to man my machine gun again "to fight for freedom," I'll do it. But let them clearly understand that I'll be fighting for an abstract idea and ideal – freedom; the right to be responsible for my own welfare; to suffer the consequences, good or bad, that result from my own choices; to go unemployed if no one wants to hire me; to go hungry if no person or church or charitable organization will give me bread; to associate with anyone who cares to associate with me, and for any good or bad reason that appeals to either of us; to worship God, or not, as I please; to teach my children that freedom automatically disappears when the government applies compulsions against peaceful persons; and above all, to hold to my conviction that freedom is more precious than any material benefit – yea, even more precious than life itself. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

DANIEL K. STEWART

A BASIC PROPOSITION OF CONSERVATISM

THERE has been in the making for some time in the United States a general, albeit hazy, delineation among the citizenry between two major kinds of political philosophies, namely: Liberalism and Conservatism. Political nihilists, otherwise euphemistically called "middle-of-the-roaders," "moderates," and the like, are increasingly and justifiably suspect as the intellectual exponents of metaphysical fraud.

That this rather basic distinction has taken so long to reflect itself in our communication media merely shows the opposition to change by existing social institutions. It illustrates what the sociologists mean by "cultural lag," and affirms assertions by Conservatives that the Liberals – in control of these social institutions – are the true reactionaries of our age.

However, even while this general distinction between Liberalism and Conservatism has been made, there is ample reason to believe that the distinction has not gone far enough in terms of a critical examination of certain philosophical propositions underlying these two antithetical political systems. The purpose of this paper is to provide such an examination.

First, is the self-evident observation that at the basis of any system of thought which purports to be explanatory, one must make a metaphysical decision as to how he is going to view reality. And, my position is that, *philosophically speaking*, a Conservative is essentially an Idealist, while a Liberal is essentially a Materialist. The implication would be, therefore, if one is to arrive at an understanding of modern Conservatism vis-à-vis Liberalism, he

Dr. Stewart is an Assistant Professor of Natural Science at Michigan State University. He is faculty advisor to the Michigan State Conservative Club, a member of the National Advisory Board of Young Americans for Freedom, and state chairman of the Conservative Association of Michigan.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

must have at least a rudimentary knowledge of the philosophical distinction between Idealism and Materialism.

Idealist and Materialist Views of Reality

Idealists view reality as consisting of ideas, as something spiritual, as something to do with the psyche, as "logos." Thus, as Plato says, "true essence consists of certain intelligible and incorporeal ideas."

As opposed to this, Materialists view reality as something sensory, as something which can physically operate on our perceptual organs, something which lends itself to what scientists call "fundamental measurement." Thus, for the Materialists, those "things only which can be touched or handled have being or essence, because they define being and body as one." (Plato)

Sometimes we hear Conservatives referring to Liberals (Socialists) as being "Idealists." But this simply is not true – certainly not philosophically, and certainly not politically. Socialists are congenitally concerned with things of the physical world. They are not concerned with the spiritual reality of the Idealists. This is why, for example, it is quite accurate for Khrushchev (a militant Socialist) to announce "that we remain the atheists we have always been."

Conservatism has its philosophical foundation in the spiritual world – in Idealism. For Conservatives, reality or "true essence consists of certain intelligible and incorporeal ideas; the bodies of the materialists (are taken to be) not essence, but generation and motion."

In final analysis, it's a matter of where you wish to place your faith – in that which is forever in a state of becoming, namely, the physical world, or that which has true being, that which *is*. It's a matter of intellectually discerning, quite literally, of what *is* and what *isn't* – of what has being and what is forever in a state of becoming.

If anyone should be under the impression that modern empirical science is not, in final analysis, a matter of faith, let him – when he gets through talking – merely produce for us a sack of those things we call "genes," or for that matter, a sack of discrete "atoms" which these genes are assumed to be made of. When this occurs, we shall be more inclined to believe him when he would persuade us that man is merely a sack of chemicals.

Now, just as Materialism has its political manifestations, so does Idealism. Just as any good Materialist would be inclined to be-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lieve that "Man is the Measure of All Things" (i. e., not dependent upon God), and, hence, embrace some variation of Socialistic-type government, the Idealist would be more inclined to believe that God is the measure of all things, and, hence, embrace some form of government which would provide maximum freedom *for the individual.* And, in our age, the latter are commonly known as "Conservatives."

Freedom Is a Moral Concept

Thus, in terms of political systems Conservatives begin with the basic premise that government must be predicated upon a moral foundation. We believe that the primary object of political activity should be *freedom* of the individual citizen.

And while it is true that freedom can be manifested in many ways, what makes any given act a valid predication to the concept of freedom is that it is the product of a genuine *choice* on the part of the individual citizen. It follows, then, that freedom is a moral concept – the concrete manifestation of which is the exercise of Free Will.

Hence, when political systems destroy man's freedom, they destroy his Free Will, and, in consequence of this, destroy the moral foundation of his government.

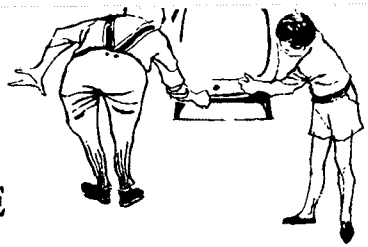
This is the precise reason why Conservatives are opposed to Socialistic-type legislation – whether it be in the form of government enforced medical aid to the aged, government enforced farm controls, government enforced regulation of business, or any proposal that would have the effect of increasing the power of the government over the individual. Through such legislation, the individual loses his freedom of choice, and ultimately, the moral foundation of his society.

This, therefore, is the reason why the basic metaphysical proposition of American political philosophy, for Conservatives, is the existence of a moral God.

It is only by granting the existence of a moral God that it makes any sense for Conservatives to be talking about freedom of the individual. This "freedom" depends upon freedom of choice, and therefore, Free Will. And Free Will depends upon the existence of a moral God.

Being guided by a moral philosophy, the Conservative believes that God is the measure of all things. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



INFLATION STRIKES HOME

or — FEDERAL AID FOR SANTA CLAUS?

It was a bright December day
With Christmas drawing nigh.
Old Kaspar shivered in his chair
And turned an anxious eye
On Peterkin and Wilhelmine
Who watched the metaphoric screen.

They saw the far, secluded spot
Beneath the Northern Lights
Where Santa Claus made all the toys
He carried on his flights.
But now the little shop was dark
And coyotes prowled the reindeer park.

The children turned the vision off
And ran to Kaspar's side.
"Now tell us where Old Santa is!"
They both together cried;
"Now tell us why he's gone, and where
And why his shop's deserted there!"

Old Kaspar drew the children up
And sat them on his knees.
"We must be very calm," he said,
"And brave in times like these;
For who can tell what may befall
To save Old Santa after all."

"Things got so bad," said Kaspar then,
"He had to close up shop.
His costs kept rising every year
And never seemed to drop,
While taxes whittled down his wealth
And worry undermined his health."

"How can we live," the children wailed,
"Without Old Santa Claus!"
"To think of that," Old Kaspar sighed,
"Is premature because
The many wealthy friends he made
Will surely get him federal aid."

H. P. B. JENKINS
Economist, Fayetteville, Arkansas

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WILLIAM R. ALLEN

SAVING, FOREIGN AID, AND GROWTH

"THE WORLD LOOKS [for] an early solution," said a Pakistan representative to the International Monetary Fund and the World Bank, to the problem of "the slums of the world, which are otherwise called backward areas." Unfortunately, there are no buttons to push which will overnight – or over a decade – transform a poor nation into a wealthy one. If there were, no nation would long remain poor.

However, it now and then appears that some Americans (clearly too anxious to do good) and some foreigners (possibly too anxious to consume wealth which they have not produced) look upon United States aid as a close substitute for such a magic button. Eugene R. Black, President of the World Bank, bluntly told his Board of Governors, "I have noticed a tendency at times for development to be regarded as something which is due, as of right, from the more advanced nations to those less well developed. Whatever the rights and obligations of different nations may be, development is not something which can be imported from abroad. It is something which can only be won internally by acceptance of responsibility, hard work, and sacrifice."

There are difficulties in both defining and measuring "economic development." But presumably the crux of economic development is a "substantial and persistent" rate of increase in *per capita* income, perhaps with the proviso that the increased output of the community be "reasonably" widely dispersed. The ever enlarging flow of goods and services which provides economic betterment is not manna

Dr. Allen is Associate Professor of Economics, University of California at Los Angeles.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from heaven, nor is it produced from an unlimited supply of resources. The overriding economic fact of scarcity thus calls for productive efficiency. And efficiency, in turn, calls for the devoting of some resources to capital goods – factories, equipment, dams, harbors, roads, schools.

Assistance from abroad may be intended to help in the accumulation of capital. Capital accumulation doubtlessly is a *necessary* condition of economic development, but it is not a *sufficient* condition. And foreign aid is neither necessary nor sufficient for an appreciable degree of capital accumulation – a degree which, however, many will deem inadequate on various grounds.

The value of American aid to underdeveloped countries, while scarcely negligible, is basically limited, because (a) growth requires more than capital, and (b) "saving" must be done by the growing country itself.

We shall not pursue far the matter of growth prerequisites other than capital. Suffice it to note that such prerequisites are "social" and "political" as well as narrowly "economic."

Are there enough literate and energetic workers? Are there enough experienced and imaginative entrepreneurs? Is there a favorable ratio of working force to other means of production? Are there adequate incentives for efficient work – and appropriate penalties for inefficiency? Is the government sufficiently "stable" to maintain economic, political, and civil order, to generate confidence in a future for which plans may be made, and perhaps to undertake certain key production projects not attractive enough commercially to engage private enterprises? Are the mores and philosophy of the community cordial to "growth" activities? Are the people sufficiently flexible and mobile, geographically and occupationally? Can population increase be kept under control?

Having thus suggested that the world is a complicated place, the emphasis here is on the second reason why American aid cannot by itself ensure foreign economic growth: the would-be growers must, in a real sense, do their own saving.

Sources of Savings

If, for the moment, we ignore receipts of foreign gifts and investments, an economy can accumulate capital only if it saves. There are two basic internal sources of capital. (1) Some resources which are now producing for current consumption may shift into production of capital goods. (2) The total output of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economy may be increased, with the additional output (or some of it) being channeled into capital production. In either case, *total output is greater than consumption*; the excess requires an act of saving and constitutes investment.

Capital accumulation, then, involves currently producing more than is currently consumed. Current production in excess of current consumption makes feasible the devoting of output to capital goods.

If there is an excess of production over consumption, the gap involves saving. For *saving* is usually defined as *income currently received* (earned in current production) and *not currently consumed*. But suppose that country Alpha consumes all of her own output. Could she not then build up her capital with gifts from abroad or with borrowing? Under the definition of saving given above, the answer is yes. But a modified definition will clarify matters.

Let us now define saving as the gap between consumption and the *whole* of the community's available resources, including those supplied by foreigners through gifts and loans as well as those stemming from domestic production. Then American aid will not contribute to Alphian capital accumulation if Alpha fails to save and instead uses the foreign resources simply for more current consumption.

Robinson Crusoe

Consider the case of Robinson Crusoe. He catches fish by hand, fishing eight hours per day, catching one fish per hour. He may decide that fishing with a net would be more efficient. Building the net is a process of investment and results in capital accumulation. How shall the process be carried out? What is the source of the capital?

There are alternatives. First, Crusoe may continue to catch eight fish per day, but he might eat only six and store two. After gathering enough fish to feed himself for the necessary time, he could then stop fishing long enough to construct the net.

There is a more likely variation of this first possibility. Instead of doing nothing but catch fish for a while and then nothing but build the net, Crusoe might cut his fishing to six hours and devote the remaining two hours to working on the net. In either variation, the important point is that current consumption (of fish) is reduced so that resources can be directed to accumulating capital (in the form of a net).

The second basic alternative involves a greater total output. For Crusoe, this means reducing lei-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sure, working perhaps ten hours per day. He could then continue to catch and consume eight fish per day while devoting two hours to making the net. Total current consumption (of fish, but not of leisure) remains unchanged.

Both of these basic alternatives have one crucial point in common: consumption must be less than total output. Whether we accumulate capital through holding total output constant and cutting consumption, or whether we hold consumption constant and increase output, there must be a gap between the two. The creation of this gap involves saving; and saving frees resources for capital accumulation. Saving makes "productive" investment possible. Whether the resources are wisely used is another matter. Crusoe might devote his investment not to producing a net but to constructing a totem pole. In either case, the first step is saving.

Enter, Friday

Thus far we have assumed that Crusoe is isolated. If he is to acquire a net, he must construct it with his own resources. The resources may have been diverted from catching fish for a time or may have come from working longer hours. Now perhaps Mr. Friday appears. With two economic units in the picture, there is the possibility of starting "international" flows of trade, loans, and gifts between them. Under these circumstances, what is the relation between saving and capital accumulation? Does international trade, investment, or aid enable a country to develop economically without being subject to the discipline of saving?

Crusoe and Friday might engage in balanced trade, *i.e.*, the money value of Crusoe's exports equals the money value of his imports. In money terms, Crusoe gives up as much as he gets. He is presumably better off in terms of "welfare" or "satisfaction" – why else would he have bothered to trade? But is balanced trade a source of capital accumulation?

With trade (and the presumed production specialization on which it is based), Crusoe – and Friday, too – will have available more commodities than if there had been no trade. Trade makes possible a more efficient use of resources, so a greater output can be obtained from given inputs. But whether there will be capital accumulation depends on whether Crusoe devotes some of this additional income to investment or whether it all goes into consumption. Actual capital goods need not be imported; consumer goods may be bought abroad, substituted for domestic goods, and thereby allow domestic resources

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to be shifted to investment projects.

Again we arrive at the conclusion: saving means foregoing consumption out of current production and income, and saving releases resources for capital accumulation.

Consider another situation. Instead of exporting valuable goods in order to obtain desired items from Friday, suppose that Crusoe gets a loan or a gift from Friday. Here, one might suppose, is an easy, burdenless way to achieve economic growth. Instead of Crusoe having to suffer the pains of saving, he will accumulate capital through gifts and loans from abroad.

If Crusoe wants to be pedantic, he can claim that it is possible in this case of foreign assistance to accumulate without saving. For saving is generally defined, as we have seen, as foregoing some consumption of current production; and Crusoe is not, of course, producing the goods which he receives from Friday as a gift or a loan. Assuming that his own production remains constant, Crusoe can maintain his old level of consumption – thus no additional saving, according to the conventional definition – and still accumulate. But in a fundamental sense, Crusoe would be kidding himself. If he gets a loan or a gift from Friday, he now has at his disposal additional commodities. This, in itself, neither constitutes nor guarantees capital accumulation. The problem obviously is what Crusoe does with his acquired command over foreign resources. Does he import tractors or solid gold Cadillacs?

It may be objected that if Friday has granted the gift or loan in order to aid economic development by Crusoe, he could specify, as a condition of the aid, that Crusoe buy tractors. But can Friday really thereby direct Crusoe to save instead of consume? Not if Crusoe is already doing some saving. Unless Crusoe has been consuming all of his output, he could now import tractors, according to the order of Friday, and simply increase consumption of his own output. Thus "foreign saving" (*i.e.*, using the foreign loan or aid for investment in tractors instead of in consumption of Cadillacs) is offset by reduced domestic saving (*i.e.*, increased consumption of domestic output).

Can the Poor Catch Up?

Loans and gifts from abroad make *possible* capital accumulation without curtailing consumption. Also they make possible additional consumption. It is essential that consumption not rise by the amount of the foreign aid. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

moral is clear: although assistance from abroad can help a country grow economically, such assistance does not excuse that country from the onerous chore of saving. Outside aid can supplement domestic saving but cannot supplant it.

In general, the underdeveloped countries save relatively small percentages of relatively small incomes – and, it should be added, they usually have, or threaten to have, relatively high rates of population growth, thus preventing the rate of *per capita* accumulation from rising much, if any, above zero. (With *per capita* income some ten times that of two-thirds of the world's people and a net saving rate of around ten per cent of national income, the average American saves each year an amount equal to the annual income of most of the inhabitants of the world!)

It should be appreciated by Americans, who are fabulously wealthy compared to most of the world's residents, that saving generally is more irksome for the rest of the globe. This is the case for two reasons: (a) when income is desperately low, consumption cannot easily be cut, and if income is raised a bit, the temptation is tremendous to consume, rather than save, the increase; (b) the fact of income and consumption disparities in the world, while possibly inspiring the poor to save in order to "catch up," seems more likely to lead the poor to emulate the wealthy as much as possible in their consumption.

The people who need most to save, if they are to develop economically, are those for whom saving is most difficult.

The Situation Reviewed

A few concluding words are in order.

Over the past twenty-odd years, America has given economic assistance to the rest of the world in a manner and on a scale unique in history. The aid was vital in repulsing the legions of the Axis in the early 1940's; it may have been instrumental in keeping the Russian flag from the British Channel and the Mediterranean in the late 1940's. The aid has continued, not to help win a war or to clear the rubble after a war, but in large measure to alleviate the misery, the hopelessness – yes, the cancer – of appalling poverty which afflicts most of the world's people. We need not be reluctant to say forthrightly (even if some are) that the basic objective and the ultimate test of American aid, or of any public use of our resources, is American survival and general well-being. But in a world in which progressing

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and prospering friends can be an asset, this objective and test has seemed to many to be consistent with our motivations of compassion and generosity.

The main resources and the main effort for growth must come from the growing nations themselves. American aid can usefully complement, but can never replace, their own means and endeavors. Indeed, gifts and loans are not the major contribution we can make to economic growth abroad. More important is that we maintain a fully and efficiently employed and expanding economy of our own and that we maintain free access to this economy by the rest of the world. In neither good sense nor in good conscience can we expend our resources on foreign aid while at the same time leaving clogged the channels of foreign trade and investment.

Finally, we must appreciate that the world is a complicated place. In important respects, it is far more complicated and discouraging for today's economically underdeveloped countries than it was for the underdeveloped nations, including the U.S., of 150 or 200 years ago.

In America, the cultural background; the supply of acquired skills of workers and of experienced investors and managers; the legal, religious, and economic institutions; the climate; the endowment of natural resources; the ratio of population to other resources – all were favorable to growth and, by and large, remain favorable to continued growth. Not all areas of the world are so blessed. And even if they were, the living standard of this part of the world is now far higher than that of most regions – and it is very likely that the size of the gap will grow much larger during the next several decades.

Without hope, nothing will be accomplished. And there is a basis for hope, for something can be accomplished. It may be a condition of our survival that *much* be done. But wishing will not make it so – nor will fervent expressions of exaggerated expectations or spurious statements of grandiose goals.

IDEAS ON LIBERTY

Henry Hazlitt

HELP FROM OUTSIDE to any country goes eventually to relieve the *least* urgent needs which the government of that country then decides to meet.

Will Dollars Save the World?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Alliance for Progress— or Socialism?

EDWIN MCDOWELL

AMID GREAT FLOURISH, the U.S.A. in August launched a $20 billion, ten-year Alliance for Progress program of economic aid to Latin America. The objective of the program is to effect overdue social and economic reforms in an area which, despite its vast natural resources and potential wealth, generally has lagged behind its Northern neighbor and behind the nations of Europe.

The Alliance for Progress, for which the U.S. will furnish the great bulk of development loans, running up to as long as 50 years at little or no interest rates, is as ambitious a program as has ever been undertaken by any nation — more ambitious, even, than the post-war Marshall Plan. It pledges to increase incomes in Latin American countries, provide adequate housing, effect land reforms, wipe out illiteracy, introduce health and sanitation programs, reform tax laws, improve working conditions, maintain sound monetary and fiscal policies, and otherwise lift Latin America by its bootstraps so that the area might escape the grinding poverty that has for too long been the lot of our hemispheric neighbors.

No one can quarrel with the aims of the Alliance. But one can and should ask whether the program agreed to at Punta del Este, Uruguay, will advance or retard the lot of Latin America's citizens, and whether it will advance or retard the cause of freedom in those lands. For that reason it is well to take a good look at the program to which the U.S. is committed South of the Border.

A fundamental flaw in the crazy quilt patchwork of "reforms" outlined in "The Charter of Punta del Este" is, as Henry Hazlitt observed in *Newsweek*, that they are not aimed in the direction of encour-

Mr. McDowell is on the editorial staff of *The Arizona Republic* in Phoenix.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

aging free enterprise, removing vexatious controls, safeguarding private property, reducing onerous taxation and government extravagance, balancing budgets, and halting inflations. "The money has been offered," Hazlitt writes, "on the condition that the Latin American countries will undertake 'national [*i.e.*, governmental] planning,' 'land reform,' and socialized housing – in brief, if they will move still further toward socialism and the Welfare State."

Marxist Implications

That columnist Hazlitt is correct can be seen in the following aim of the Alliance: "To reform tax laws, *demanding more from those who have most,* punishing tax evasion severely, and *redistributing the national income in order to benefit those who are most in need,* while, at the same time, promoting savings and investment and re-investment of capital." (Emphasis mine) That passage is not from Karl Marx, although it might have been. What else does "demanding more from those who have most" or "redistributing the national income in order to benefit those who are most in need" suggest than the very core of Marxist theory, "From each according to his abilities, to each according to his needs"?

Consider what is implied in the charter's pledge to "assure to workers fair wages and satisfactory working conditions." Is there really such a thing as a "fair wage"? If so, who is to decide? The employee? The employer? Both? Or, as seems inevitable, the government? If it is the latter, how will it be possible to honor such a pledge without bringing the entire machinery of government into the vital area of labor-management negotiations?

What about housing promised the Latins by the charter? Will it be the result of private enterprise, or, as seems more likely to be the case, will it be the result of massive public housing programs paid for by U.S. taxpayers? And how about land reform, which is emphasized so strongly by the charter? In the past this usually has meant a grave infringement of private property rights, resulting in a reduction rather than an increase of agricultural output. Fear that such an infringement might indeed result from land reform prompted this remark to *U.S. News & World Report* from a Latin American businessman: "Personally, I see no need for land to be seized from some and parceled out to others. There's plenty of land for all in most countries of Latin America, if roads are built and governments divide up their vast holdings."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Private Enterprise Overlooked

It is discouragingly clear that private enterprise — which stands tenth in a list of twelve "goals" — was included merely to be dangled in front of U.S. taxpayers. According to the *Washington Post*, when Communist Cuban economic boss Ernesto (Che) Guevara proposed that a promise to promote all sectors of a nation's economy be substituted for a pledge to stimulate private activity, the U.S. delegate to the Uruguay conference replied that it would be hard for the American public to understand a change which eliminated stimulation of private enterprise. This shockingly weak defense of free enterprise was then further vitiated by our promise to help boost the price of coffee and tin against American consumers, by our endorsement of export quotas of these products from Latin American producers, and our recommendation of policing imports into the United States.

Overlooked by supporters of the Alliance is the fact that none of these problems is new; as the *Los Angeles Times* pointed out, some have existed since the days of the conquistadores. Most are strictly internal problems which can be solved only by internal measures. "If these problems have been allowed to exist for this long without any serious effort being made to ameliorate them," the *Times* asked, "what basis is there for believing that the necessary changes will now be made?"

A Discouraging Prospect

There is no doubt that Latin America is in dire need of investment capital, either from within or without. Yet governments in that area seem determined to drive investment away. U.S. private investment in Latin America has been enormous, considering the obstacles it faces. Private U.S. funds have accounted for about $9 billion (or nearly two-thirds of all foreign investment) in Latin America thus far. And this despite the fact that investors live in constant fear of having their property seized by ambitious and unfriendly governments that keep the Hemisphere in a constant state of turmoil — and poverty. (Mexico in the 1930's, and Cuba today, are two prime examples.) Exorbitant tax rates on investment, government-like labor unions that oftentimes run the country, and socialist countries and socialist rulers that at best are hostile to free enterprise, all work to scare off private investment.

Just recently the Chilean government, angered because U.N. Ambassador Adlai Stevenson hit at that country's "economic stagnation," reacted by clamping

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stringent new restrictions on U.S. copper companies in the nation. And in Buenos Aires, the Wilson Meat Company, the third largest U.S.-controlled packing company in Argentina, closed down after 45 years (at a loss to that nation of 2,400 jobs) because of a series of strikes which halted production for almost three months.

Is it any wonder, then, that U.S. companies are reluctant to invest in Latin America? Even Latin Americans themselves recognize the risk, and for that reason have invested an estimated $6 billion of their own in Europe and the U.S. as a hedge against political turmoil and inflation.

Expropriation in Venezuela

Events in Venezuela and Bolivia provide evidence that internal reform is Latin America's most pressing need. Trouble began in the former country when the Venezuelan government resorted to policies of inflation and deficit spending, together with welfarism. The first two policies discouraged both foreign and native investors, and trouble accompanied the social welfare measures when the government offered work to anyone who wanted it, at minimum daily wages. This caused hundreds of thousands of persons to leave their work in the fields, thereby crippling the agriculture and livestock industry and placing an unjustifiable burden on taxpayers.

Wrote Venezuelan economist Francisco Pereira, in the newspaper *Universal*, "Unfortunately this plan and this evil still exist under other names, and have invaded not only the ministry of public works, but also the autonomous institutes, the states, the municipalities, even private firms, like the telephone company, the city transportation institute (which has said that it does not need even half of its personnel). The taxpayer's money is thus being used in effect to strangle its production, its activities – it is practically suicide."

And so it is. The number of government employees in Venezuela has risen from slightly more than 30,000 in 1957 to 125,681 in 1960.

Like so many other nations, Venezuela fell prey to the error of trying to strangle the goose laying the golden egg. It altered the universally accepted system of dividing the profits of the petroleum industry from a 50-50 basis to a new proportion of about 70 per cent for the state and about 30 per cent for the companies. As a result, the average return on invested capital in the petroleum industry has declined sharply and the number of crew-months of drilling for oil has

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dropped from 240 in 1956 to 144 in 1960. Both are logical concomitants of too heavy a tax burden.

Mr. Pereira says that rent controls crippled the construction industry by discouraging investment and stifling incentives, and that the increase in import duties on so-called luxuries has had the effect of reducing the revenue collected on imports (a decrease of almost 200 million bolivares per year in revenue) and increasing smuggling.

Inflation in Bolivia

In Bolivia, which eight years ago was taken over by revolutionists, the picture is equally discouraging. Labor leaders have been running the country into bankruptcy in an all-out attempt to create a socialist state. When they took control, the labor bosses immediately provided bonuses, granted large raises, allowed workers to halt production without penalty, granted 16 months' pay for a year's work in some industries, guaranteed overtime pay whether workers actually worked overtime or not, and passed work laws making it impossible to fire incompetent or unwanted workers. And with the inevitable result that productivity has fallen sharply (about 55 per cent), inflation has reduced purchasing power (to about one-sixtieth its former rate), and the nation today is bankrupt (with $150 million in foreign debts). "All that has kept the country going through its revolution," observed *U.S. News & World Report*, "has been a steady treatment of U.S. aid, administered in timely doses."

The Will To Rise

Without the will of individual nations to increase their own standard of living, no alliances or large-scale programs can possibly succeed. The only way a country can develop its economy is through the formation of capital — which depends primarily on domestic saving and investment. Tax-raised funds invested in backward lands are almost invariably misused. Dr. Norman Bailey, Columbia University economist, wrote an excellent article in the *Columbia University Forum* not long ago, in which he said, "The bureaucracies of the underdeveloped countries are inefficient always, and corrupt usually . . . and all the best will and good wishes in the world will not alter that fact." They look upon those loans and grants as substitutes for internal effort and initiative, and in that way our aid harms rather than helps.

The most helpful and most lasting outside investment comes from private foreign capital, Dr. Bailey said, which stimulates the econ-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

omy without offering the dangers of public aid. Because it is invested for purposes of making a profit, it generates its own capital. Much of this capital stays in the underdeveloped country in the form of taxes, royalties, and reinvestments, and most of the remainder eventually returns in the form of better methods, lower costs, and greater efficiency.

The only things that can remove disease, poverty, and illiteracy from Latin America, as well as from the Congo and all other economically backward nations, are work and profit. "But the underdeveloped countries want the best of both worlds," Dr. Bailey says. "They want to have high wages and costly programs of social welfare, and at the same time rapid industrial development. It cannot be done now any more than it was ever done in the past."

For Latin America to raise its living standard, it must choose between the collectivist policies of regimentation, and the framework of political and economic freedom and a healthy climate that favors foreign private investment.

It is true that this is a prescription for economic development, not "social justice." Yet it is a curious fact, as Dr. Bailey has observed, that those countries which today have the highest degree of effective social justice are precisely those which in the past have followed that prescription. ◈

HOWARD BUFFETT

FEDERAL EMBEZZLEMENT

onsequence of foreign aid and domestic welfarism.

NO FATHER could long play Santa Claus for children in other parts of town and Old Scrooge at home. Neither can congressmen vote continually to spend billions of tax dollars abroad and at the same time vote for austere economy at home.

The Congress is vested by the Constitution with the power to regulate the value of our money. As long as foreign aid continues,

The Honorable Mr. Buffett is a former Congressman from Nebraska. This article is condensed from his testimony, as a member of the Citizens Foreign Aid Committee, before the House Appropriations Subcommittee on Foreign Operations, August 19, 1961.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Congress is constrained to regulate the value of our money downward under the policy of deficit spending that has been in effect, with some short interruptions, since 1933.

Among the pressure groups to continue foreign aid are:

1. Debtors, whose original obligations, contracted in dollars of higher purchasing power, become smaller as the value of the dollar goes down.
2. Promoters, speculators, businessmen, and officials who understand the workings of inflation and stand to profit from the further deficit spending that goes with foreign aid.
3. Union bosses who have exploited inflation to entrench and expand their power.
4. People who sincerely believe that foreign aid brings permanent political strength to other lands and that America has – or soon will possess – the intellectual, moral, political, and economic capacity to do it successfully.

These groups, and all conscientious citizens, are urged to ponder the effect on the morals and morale of the American people after 16 years of foreign aid and the hog-trough behavior it engenders in domestic spending.

Since 1939 the purchasing value of the savings of the thrifty Americans then invested in government bonds, building and loan shares, pensions, annuities, and life insurance have been cut in half, and then some.

When Congress appropriates money for foreign aid and domestic deficit spending without fully informing the American people of the inevitable dollar dilution accompanying such action, the only accurate label for it is "legal federal embezzlement." The fact that other branches of our government, plus foreign governments and private groups, have pressured Congress to take the actions that diminish the dollar's value is no defense. The final responsibility is on Congress alone.

IDEAS ON LIBERTY

Inflation

"TOO MANY DOLLARS chasing too few goods" as an explanation of inflation overlooks the dominant part played by snowballing government spending. Today's inflationary buildup might be explained as "too many dollars chasing too many votes."

J. KESNER KAHN

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

DANGER: "Mindtraps" Ahead

W. E. SPRAGUE

"Like a stairway leading to a gallows, there are thirteen perilous steps that often lead a man to Socialism. And like the sprung trap, the fatal fourteenth step, Socialism seals his fate."

This – despite the "reverse English" – is a splendid example of a basic device commonly used by Socialists themselves in a subtle sort of verbal "sleight of hand" to win converts to the Welfare State or the Planned Economy or whatever idea they are advancing as the grand solution to all mankind's problems. But, as the "reverse English" indicates, it is a game you, too, can play. It is, in fact, a game we had all better learn to play because it is a deadly game in which *our personal freedom* is at stake.

Mr. Sprague is a free-lance writer with a background of some fifteen years in sales, credit, and insurance. He now specializes in what he terms "the practical application of history, logic, and language studies to daily living."

An exaggeration? Perhaps, but remember that opening paragraph; we will return to it.

There are thirteen devices, including the one above, commonly used by the utopian planners and, in a sense, they are indeed "steps." They do not follow one another in any special order, nor do they have a mounting, cumulative effect (though they may at times); still they are "steps" in the sense that they are designed to lead you and me into what can rightly be called a "mindtrap." They are steps toward a dark world of anguish, the anguish of confusion, and away from a bright world of reason.

These thirteen basic devices, however, were not invented by Socialism, nor are they strictly socialistic property. They are, in fact, as old as Plato, Aristotle, and those "Madison Avenue boys" of ancient Greece, the Sophists. They are perhaps even older. They work

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on a simple principle that has been known to every tyrant, despot, and dictator since the time of Alexander and before – the principle that: no man can think clearly if he is frightened, angry, or in any other way emotionally over-stimulated. New or not, these thirteen devices are as effective today, because of that principle, as they have been throughout history. In the hands of a skilled socialist recruiter, these devices can and do trap thousands of us who are "sitting ducks" because we are unfamiliar with this sort of verbal legerdemain.

Once you have become familiar with them, however, once you have learned to spot their use, you become free of them to a considerable degree – providing you remain aware of them. To free yourself altogether, though, requires more than constant vigilance, more than the ability to merely "peg" these devices when you encounter them. What that "something more" is, we will explore very shortly. But first – what are these devices, these "steps" to Socialism? And how do they work?

The collective name by which they are known sounds innocent enough. They are called "logical fallacies." Their name is misleading, however; it makes them sound like the toys of philosophers and formal logicians. This they may very well be, but don't be deceived! They are also deadly little tricks that play on certain weaknesses we *all* possess. They are subtle little "terror tactics" that really have little to do with logic, as we usually think of that word, and have a lot to do with striking at our fears and, through our fears, arousing our hatreds or feeding the flame of anger. Remember – no man can think clearly, indeed at all, if he is emotionally overstimulated. Rather than "logical fallacies," perhaps they should be called "emotional irritants," since they relate to logic, it may be said, only in that they attempt to short-circuit your power of reason.

Appeal to the People —Ad Populum

Consider these phrases – phrases we have all heard many times over:

"Which is more important – big business or the little fellow?" "Price controls protect the working man." "Why not have federal aid? It's our tax money, isn't it?"

A philosopher or logician would probably call these examples of *argumentum ad populum*, one of the logical fallacies. The impressive Latin name means "argument appealing to the people." The important thing is the *way* it appeals to the people. Each of the three phrases contains certain key

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

words which evoke in us an image – a word picture – to which *all of us tend to respond.* By contrasting the words "big" and "little," the speaker creates a picture of a gruesome sort of Goliath, labeled "big business," about to strike out at courageous but tiny David called "the little fellow," with whom anyone familiar with that Bible story will automatically identify. And even if one had never heard of David versus Goliath, the key words still tend to excite the common American sentiment for the underdog. In the second phrase, the key words are "working man" and "protect." Again, most people working for wages will almost automatically identify with "working man," and the implied threat in the word "protect" (after all, we need protection only if "someone is out to get us") instantly stirs our fears. In the third example, the key word with which we will tend to identify is "ours"; if the tax money is indeed "ours," we certainly have a a right to it then!

Ad populum – the appeal to the people – is quite typical of all thirteen devices, all thirteen "steps." It is structured with key words that invite us to identify with an image that is somehow (within the scope of that image) threatened. Thus the facts are ignored, snubbed, trampled, or completely obscured – no mention is made of what these words really mean in the objective world around us, or even what the speaker intends them to mean. What, for example, is really meant (if anything) by "big business"? Which "big business"? What companies or corporations and when? What "little fellow" and how is he less important? "Price controls" when and on what and for how long? And how do they "protect"? Or do they? Is it truly "our tax money"? How much of it did you pay? Or me? Isn't tax money more of a common trust that in reality "belongs" to no one? Or is it?

The point is, you see, that the answers to these questions are the facts of the issue, but *ad populum,* like the other fallacies, dare not be concerned with facts. Instead, facts are obviated by "image words" so generalized they have practically no meaning. If you coded these words and fed them to a computer, the computer would reject them or else answer them with equally meaningless phrases. Or if you presented these three phrases to a formal logician for analysis, he would be powerless to act until you also gave him the answers to the questions, until you gave him facts. Logically, then, these thirteen "steps" are untenable but, emotionally, they are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

potent. They hit you – to coin a phrase – "right where you live." Their aim is to make you defensive, to make you feel "picked on," and thus forget the facts. After all, how can you be bothered by facts when some bully is about to "clobber" you?

Appeal to the Heart

In case you can't be scared into forgetting the facts, there is another fallacy so closely related to *ad populum* it is considered by some to be merely a twist. Its Latin name means "an appeal to the heart," and it aims to coax you, if you won't be frightened, into ignoring the facts by arousing your sympathy. "Peace and harmony and cooperation," it might say, "are Man's destiny – not competition." Who among us does not respond to the image of Eden, especially since we were brought up on it? What culture in what age has not had its ideal of a Paradise or an Elysian Field? Who can resist the picture of a sunny, green world living in idyllic "peace and harmony and cooperation"? But what kind of "peace and harmony"? What kind of "cooperation"? The kind known to the shepherd's unthinking charges, or the kind achieved by the voluntary association of free individuals who have made their decision on facts?

By now you are perhaps beginning to see that all of these devices, these "mindtraps" have certain things in common: they aim at obscuring the facts by creating images with which you will identify, first, then react to emotionally. It seems so simple one wonders that they work at all. But they work, and work astoundingly well! Why? Because our emotional network, as any psychologist will tell you (and I will leave the fine points to him), is made up of a collection of more or less standardized and generalized images that we have all acquired simply by the process of being born, living, and growing up. This emotional network, incidentally, with its collection of images, is quite necessary to survival; we would never have the time to reason out the billions of decisions of a minor note that we encounter in daily living. But *only* careful, rational thinking can carry us through the vast complexity that is our economy and our nation. And it is here that these "steps" to Socialism would have us forget facts and struggle through on emotional response to images, to "word pictures."

What, then, are the remaining eleven logical fallacies? It might do to mention at this point that, viewed strictly as logical fallacies, as toys of the logicians, there are many more than thirteen. A com-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plete listing and classification can be found in textbooks on logic or in any standard encyclopedia. We are concerned here, though, as stated earlier, with the ones most commonly used by the planners of Utopia in their battle against ideas of free market, private property, individual enterprise, and the many other aspects of a free philosophy. Restricted so, there are then eleven remaining fallacies.

Non Sequitur —It Does Not Follow

"Without compulsory government health programs, thousands upon thousands of people will suffer for want of proper medical care!" Sound familiar? Of course it does. This current battle cry of Socialism is essentially the fallacy of *non sequitur* – translated: "it does not follow." Put simply, it means there is no logical connection between "thousands of suffering people" and the absence of a program of socialized medicine, but there certainly is an emotional connection once you are tricked into placing yourself in the image of those "thousands upon thousands." Stay out of the image and ask for the facts.

False Cause

In some ways, all of these "mindtraps" touch and overlap; hence, we have a sort of "half-brother" to *non sequitur*, sometimes called "false cause." Its Latin name – *post hoc, ergo propter hoc* (a mouthful even for the old Romans) – translates: "after this, therefore because of this." An example? How about – "Free enterprise collapsed and that's why we had the Depression." In this statement, the speaker is committing a dual fallacy. First he is equating "free enterprise" with *all* the conditions in both industry *and* government that existed prior to the Depression; then he is ignoring a host of external (that is to say, international) factors that may have very well contributed to the Depression; for these, taken all together, were the major determinants. Yet in his flippant use of the term "free enterprise," he intends you to react to the image of business and industry, symbolized by the 1929 crash, as being the sole factor.

Over-Generalization

This same example also falls, at least partly, under the heading of another of the commonly used fallacies, *secundum quid*. In a word, it means "over-generalizing." It works in a variety of ways. In the case of "collapsing" free enterprise "causing" the Depression, all factors – contributing or not, extraneous or not – are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lumped under one very broad general heading, "free enterprise." Another method of over-generalizing is what might be called building "straw men" or "paper dragons." The idea is to take a handful of superficial characteristics and build an image to represent *each* individual in a certain class or group. Thus the Socialist is fond of depicting the "capitalist" as a bloated, walking money-bag, preying on "the common people." Absurd? Of course, but the image would not persist if it were not effective.

Give 'em a Foot and They'll Take a Mile

Another "mindtrap," this one closely related to *secundum quid,* and indeed another form of over-generalizing, is sometimes called the "entering wedge" argument or sometimes referred to as "give-'em-a-foot-and-they'll-take-a-mile" reasoning. A good example is still bounding about the current scene: "If you allow automation in industry, you'll soon have thirty million unemployed!" Again, this is a "David and Goliath" image, inviting you to identify with thirty million unemployed "Davids." Well, automation is more and more on the scene and our economy seems to be adjusting nicely. But that is unimportant to the speaker; it's merely a fact.

Name Calling

Tu quoque, in Latin, means "thou also"; in everyday American it means: "Oh yeah! Well, you're one, too!" The fallacy of *tu quoque* is nearly pure name-calling. Venture to suggest that complex, bureaucratic government is a burden on taxpayers and tends to destroy profit motive for both business and the wage earner, and you might hear this: "How about the greedy profiteers of capitalism? Look what they do to initiative!" Aside from the fact that greed is no more intense or evenly distributed among "capitalists" (whoever they *really* are), than among Hottentots, the trick here is a quick counterattack, again with "image words," to trap you into defending something entirely foreign to the issue being discussed – thus saving your antagonist the job of defending elaborate government.

Authorities and Statistics

"Jefferson once said. . . ." Or "our figures prove. . . ." Familiar? Indeed so, and they are familiar to logicians as *argumentum ad verecundiam,* another "two-in-one" fallacy. Some logicians, in fact, consider these statements as separate fallacies. In the vernacular, "Jefferson once said. . . ." might be called "appealing to the wise man," while "our figures prove"

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stands apart as a separate fallacy. Consequently, it can be said that we have here a "double step" to Socialism.

In either case, quoting a famous person (living or not) or quoting figures, *verecundiam* means "appeal to authority." This is a particularly effective device for utopians, since we have all been reared to respect authority and most of us to stand in awe of large numbers. What Jefferson or any one else said about a particular topic, or what statistics allegedly show about it is really not the point – though that is what we are urged to believe. The point is the validity of the topic judged on current, reliable facts. And, since any competent mathematician can show you several ways to "lie" with numbers, figures in themselves are not necessarily current or reliable or factual. Did Jefferson, or whoever else is quoted, have firsthand knowledge of the facts relating to the topic? Is the topic within his field of special knowledge? Who compiled the statistics, and how? Are there any cross references on them?

Destroy the Man or Source

Perhaps the most popular, and certainly the most vicious, of these "mindtraps" is *argumentum ad hominem* – the argument that attacks not the issue but rather the man. In close alliance with *ad hominem* is its variation known as "poisoning the well." Examples of these two abound in every area of human endeavor, but perhaps the favorite of Socialism occurs when a proponent of limited government is brash enough to suggest that there may still be some merit in referring occasionally to some of the original premises of liberty as variously stated by the framers of our Constitution. "You'd still have us wear silk breeches and powdered wigs," they shout. Or let any man criticize wasteful government spending, and he may be assailed as a "tight-fisted, inhuman Scrooge," or worse. The basic idea, the aim of *ad hominem* is to attack the man, not the issue, especially if the issue *cannot* be logically defended at all. "Poisoning the well" is essentially the same tactic used against groups, political or racial or religious, and sources of ideas such as books, documents, or publications.

These two fallacies are especially vile in that, to their users, there are "no holds barred"; attack on any grounds, including, if necessary, the deliberate assassination of reputations by out and out lies. In fact, the closer you come to the truth in your presentation or criticism, the greater risk you run, usually, since you

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

then represent a hazard that must be removed at all costs.

The False Analogy— All Analogies Are False

We come now to the most troublesome "mindtrap," the slickest "step" to Socialism that we shall examine. It is, in many ways, the most difficult to deal with, owing to a peculiar duality of its nature. It is at once both "true" and "false," which is to say that, while it will always contain certain seeds or elements of truth, it is *always* false; yet it is an absolutely indispensable tool in the process of learning – anything. It is the analogy. Stated simply, an analogy is a device for explaining one thing in terms of another. A classic example can be found in the lore of the Old West.

When the transcontinental railroad pushed its way across our nation, the American Indian got his first (and probably frightening) look at a locomotive. We are all familiar with his name for it, the Iron Horse. The term was an abbreviated analogy; the Indian had long been familiar with the white man's metal, iron, and with the horse. He explained the locomotive to himself, then, in these terms which he knew and understood – the strange machine was iron and it carried things and people as did his horse. Still, the analogy is false; a locomotive is *not* a horse.

Modern day physics would be lost without the analogy, though here whole sets of analogies are considered and called by various names such as "constructs" or "abstractions." Nonetheless, they are analogies in that terms like "electron" or "neutron" or "chain reaction" are essentially descriptive terms for things and events no one has ever actually seen; still the terms are useful and vital, since they reduce the processes of matter to a comprehensive level by acting as working models of these processes.

But analogies, no matter how useful, no matter how closely they resemble that to which they are compared, are always "like" something – but they are *not* identical to that thing. Hence, in this sense, they are always false. The test of the usefulness or reliability of an analogy lies in asking yourself, "How close *is* the resemblance? Does this specific analogy *really* fit? What are the similarities and what are the *differences* in this particular comparison?" Above all else, we must remember that an analogy is always a comparison, not a proof. When we view it as a proof (or advance it as one), we commit the "logical fallacy," the "mindtrap" of what logicians call the "false analogy."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Consider the following:

"Like a stairway leading to a gallows, there are thirteen perilous steps that often lead a man to capitalism. And like the sprung trap, the fatal fourteenth step, capitalism seals his fate." Yes – our opening paragraph rephrased as the utopian planner often uses it. Phrased either way it is a false analogy, for the comparison between a gallows and any ideology is a farfetched one; yet the image it evokes is a powerful one, an image calculated to steer your mind completely away from the facts. Don't be steered; the major factor in comparing two ideologies or philosophies is simple: they can be compared only to each other and done so with a cold, objective eye.

The false analogy of the gallows, however, illustrates my major point in all of this, a point I cited earlier. By a simple switching of terms, by "reverse English," any one of these thirteen common devices, used so much these days by the advocates of government control, government aid, and government intervention, can just as easily be used against them – if one cares to play at such games. For a game is, as I have said, exactly what it is: a game that people of all kinds have been playing perhaps since the birth of the human race. We need to do more than play this game, however; deadly as it is, we need to avoid playing it. Rather, do we need effectively to combat its effects. In times past, as in the present, whole nations and cultures have succumbed to those effects.

"Today Germany! Tomorrow the world!" – one of history's greatest *non sequiturs.*

"For the good of the people!" – a tired, clichéd *ad populum;* yet how many nations have been captured by this one alone?

Appeal to Fear

The last of the "mindtraps" is *argumentum ad baculum,* the "appeal to fear." In its most crude form, it is nothing more than a threat; a club, as it were, held over our heads; a statement of ". . . or else!" We rarely encounter it in this form, though, until its users stand on the very threshold of their goal. But how about something like this: "Where do you stand? With big business or with the people? You're either with us – or against us!" That "against us" is simply a thinly veiled threat. In a sense, *ad baculum* is an element inherent in nearly all the arguments of the Omnipotent State faction, since the arguments, as we have noted, aim at arousing the emotion of fear above all other emotions – fear of big business, of poverty,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of unemployment, of exploitation, of . . . you name it! Yet fear is dispelled by knowledge and by specific truths. Herein lies the most effective means of combating the "mindtraps" and freeing ourselves from their effects altogether.

The Steps Reviewed

And so we have the thirteen "steps," the thirteen devices used in the socialists' *game*. Remember them well:

1. *Argumentum ad populum* – the appeal to the people, the "little fellow."
2. The appeal to the heart – "peace and harmony," the image of Eden.
3. *Non sequitur* – it does not follow, even if someone says it does. Check it yourself.
4. *Post hoc, ergo propter hoc* – the "false cause."
5. *Secundum quid* – over-generalizing.
6. The entering wedge – "Give 'em a foot and they'll take a mile" – but only if someone gives 'em the mile, too.
7. *Tu quoque* – "You're one, too!"
8. *Argumentum ad verecundiam* – "Jefferson once said . . ." Oh? Was he there? Did he see it?
9. *Argumentum ad verecundiam* (second variety) – "Our figures prove. . . ." How reliable are "our figures"?
10. *Argumentum ad hominem* – "Attack the man, not the issue." But the issue is what is important.
11. Poisoning the well – the *source* of the idea is not important; the idea is!
12. False analogy – *all* analogies are false, so consider the differences as well as the similarities.
13. *Argumentum ad baculum* – "believe *or else!*"

We must learn this game at least to the extent of recognizing those arguments that appeal not to our reason but to our unreasonable fears. When next you meet an argument that evokes an image and excites fear, check it with questions – "Who said so? And how does he know? What are the facts, the *specific* facts?"

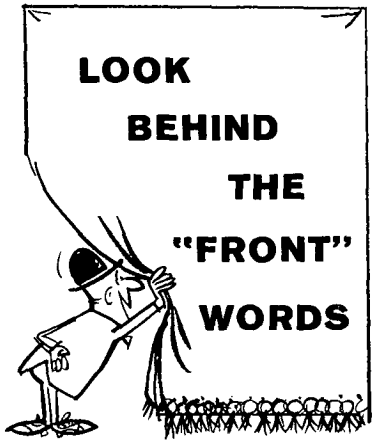
Facts, not dialectics, are the best weapons. Truth, not emotion, will keep us free. ◈

IDEAS ON LIBERTY

Montesquieu

COUNTRIES are well cultivated, not as they are fertile but as they are free.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



MELVIN D. BARGER

HOW DO YOU FEEL about "conspicuous consumption"? Do you think it wrong for a person to use goods or services lavishly when others are in want? And how about "exploitation"? Do you burn with indignation over the plight of oppressed peasants in underdeveloped nations – serfs who get but a few cents a day while the "ruling classes" loll unmindfully in luxury? And that name "ruling classes" itself – doesn't it evoke a picture of a clique of smug, arrogant aristocrats perched indifferently upon the groaning backs of masses of suffering people?

If you have even an ounce of human decency, these words and phrases probably stir your sense of justice considerably. Rare is the American who has no strong ideas about justice, and who wouldn't applaud and assist efforts to do something about human misery, wherever it might exist. Hence, words and phrases like "exploitation," "conspicuous consumption," and "ruling classes" often appear in learned essays and editorials discussing the world's problems.

One could easily get the impression that those who use these terms are concerned and that perhaps some genuine efforts would be made toward solving the world's problems. Sadly, however, this is not true – for the words and phrases are in reality the slogans of Communism – and many of those who use them are concerned only with "exploiting" our human tendencies to be outraged by injustice. Like "front" organizations ostensibly in operation to deal with some item of "social justice," but actually in business to further the ends of an incredible conspiracy, these words are "front" words, used as barbed tools to prick the conscience of well-meaning people.

It's an old technique. Take that matter of "conspicuous consumption," for example. Back in the first century, an uncommonly gifted young rabbi named Jesus of Nazareth was just finishing his

---

Mr. Barger is Editor of *The Flying A*, company magazine of the Aeroquip Corporation at Jackson, Michigan.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

earthly ministry. For two or three years he had blazed forth with numerous solutions to the problems which beset the world; now, in less than a week, his enemies were to place him on a cross. But for a few minutes he paused in the village of Bethany, outside Jerusalem, where his friends Mary and Martha prepared him a supper.

And it was here that one of his disciples – Judas Iscariot – pointed indignantly to an example of "conspicuous consumption":

> Then took Mary a pound of ointment of spikenard, very costly, and annointed the feet of Jesus, and wiped his feet with her hair: and the house was filled with the odour of the ointment.
>
> Then saith one of his disciples, Judas Iscariot, Simon's son, which should betray him,
>
> "Why was not this ointment sold for three hundred pence, and given to the poor?"
>
> This he said, not that he cared for the poor; but because he was a thief, and had the bag, and bare what was put therein.
>
> JOHN 12: 3-6

The lesson in this story, coming to us across a bridge more than nineteen centuries long, is that not everybody who professes to have an interest in the poor is a humanitarian. He may be a hypocrite who knows that the right kind of catechism will pull the strings of men's hearts. In the above situation, we probably pass judgment on Judas only because of what else we know about the man. Otherwise, we would be inclined to say that he had a point – and at the time it may have seemed so to some of the disciples – since Judas' treason was as yet unrevealed.

The Cold War

Now, let us jump quickly back to the twentieth century – (for one of the dogmas of socialist writers is that those who disagree with them are suffering from an unfortunate chronological lag). A struggle is in process between the West and the communist world for the allegiance of the "emerging" and "underdeveloped" nations. It is a chaotic situation. Despite what it does, or refrains from doing, the United States is systematically smeared as a "rich, capitalistic, imperialistic nation." We have been accused of indulging in "conspicuous consumption" even in the face of world-wide conditions of starvation and disease.

Sometimes it's hard to remember that the very people who are making these accusations – like Judas – care nothing for the poor whose cause they profess to espouse. It is especially hard to remember this when some of our own representatives take unto

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

themselves the very jargon so skillfully employed by the Communists.

An editorial entitled "Innocents Abroad" in the July 19 edition of the *Wall Street Journal* bears this out. The *Journal*, in commenting on Ambassador Adlai Stevenson's recent tour of Latin America, pointed out that *La Prensa* of Buenos Aires, one of Latin America's leading newspapers, had scolded Mr. Stevenson for some of his well-intended phrases.

Said *La Prensa*, via the *Journal*:

"Present United States policies with respect to Latin America are inspired by an attempt to set limits to communist penetration, whose instrument today is the Cuban regime. . . However, those in power in that country at times use a language which defeats their own purpose.

"In a desire to display a full understanding of ideas, they talk – as did Mr. Stevenson – of 'territorial feudalism,' of 'indeterminate agrarian reform,' of 'revolution,' plainly and simply. They are unaware of the explosive force which these phrases carry in our surroundings. They are unaware that they are the chosen slogans of the Communists and their allies, who joyfully welcome such unexpected imperialist assistance.

"The term 'feudalism' is a capricious metaphor, seen in the light of its historic meaning. There does not exist any 'agrarian reform' in the sense of laws to create more initiative in rural economy. . . In this part of America, this today is exclusively a subject of Castro subversion. And it does not have any sense but that of the violent taking away of the property of landowners.

"And regards the term 'revolution, it serves those north of us to designate such peaceful and healthy phenomena as the industrial revolution or the marvelous technical innovations. In our confused (South) America it means, apart from taking recourse to force and in a doctrinal sense, only one thing: The catastrophic overthrow of the existing social order and the dictatorship of the proletarian masters.

"By using such terms indiscriminately, and without analyzing the concepts they convey, certain United States politicians and periodicals unwittingly contribute to the nourishing of magic slogans which are beneficial only to the Soviet imperialistic designs."

In saner times, there would be nothing wrong with these words and phrases. The man on the street – be he a citizen of Chicago or Havana or Calcutta – will never really be very elated over the fact that in some countries a few fami-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lies control much of the wealth. He certainly won't strongly oppose the idea of "agrarian reform," or a "redistribution of the wealth." Only when he has seen the real motives of those who advocate these things will he be in strong opposition. Yet, long before this happens, his apprehension or doubts may have been neutralized by strong propagandists who pointed out that the "reformers" were just bringing "social justice" to countries that had long needed it.

Deadly Motives

The point that can never be emphasized too strongly is that these terms are "front" words, camouflaging the deadliest of motives. They serve as euphemisms for processes that entail murder, tyranny, theft, and fraud. Here are some of the real meanings:

Agrarian Reform – Ostensibly, this means breaking up large estates traditionally owned by dynastic families. The land is then to be parceled out to the deserving peasants, who live happily ever after.

Actually, the previous owners of the land are murdered or imprisoned. Though the land may be parceled out in a cynical token attempt at "agrarian reform," the deserving peasants never gain rights of ownership, and probably gain nothing at all in the long run.

Exploitation – This word is directly from Marx; yet many who repudiate Marxism still use it. It's a loaded word, and evokes a picture of selfish interests abusing workers or underprivileged persons, and making enormous profits at their expense.

Those who use the word contend that *all* workers who are employed by private business are being exploited. The Detroit bricklayer, earning $9,000 a year and driving the latest model car, is being "exploited" by his contractor boss, though in truth the latter may have operated at a loss for the year. Used in that sense, of course, the term is silly. But it is important to remember that the term is rarely used by anybody who is in earnest about getting to the bottom of "exploitation" and doing something about it! Few of us have ever recognized that workers can also "exploit" the boss!

Vested Interests – In communist language, the "vested interests" are any private owners and their hand-picked government officials in free enterprise countries. The presumption is that these interests are always selfish, reactionary, and dishonest. The "vested interest" resists any changes in the status quo, because these

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

changes may mean loss of property to the traditional owners.

In practice, the private owners in free enterprise countries are constantly upsetting the status quo, and deliberately making obsolete their own products and plants. Change is welcomed rather than resisted. In fact, natural processes swiftly eliminate the concern that is not continuously seeking opportunities for betterment. In contrast, the "vested interests" in communist countries are the true reactionaries, for by their government monopolies they have thus far been avoiding the necessity for change.

Social Justice – Here's a "front" expression that is almost irresistible. There's about as much chance that you'll oppose "social justice" as there is that you'll step over to the nearest orphanage and chloroform babies. Yet "social justice" means one thing to the Communists, and means something quite different to people in the Western world. "Social justice," to us, means a fulfillment of our Constitutional rights, particularly those guaranteed by the first ten amendments – the Bill of Rights. It also involves charitable works, decent treatment of one's fellow man, and the observance of orderly legal procedures in settling disputes.

To the Communists, it means the overthrow of private ownership and the liquidation of the present managerial classes. "Social justice," in practice, means to them *exactly the opposite* of what it means to us!

As the *Wall Street Journal* said in commenting on Mr. Stevenson's phrases, there's more to communications than a Babel of tongues! And it's not simply a question of "semantics," either. The pre-emption of certain words for devious purposes – and their corruption – has been deliberately planned and executed with cynical cunning.

It's no little task to deal with this sort of thing. For sound advice as to the frame of mind that work's best, we might refer again to the first century, back to the uncommonly gifted young teacher accused of "conspicuous consumption" that day in Bethany.

"Beware of false prophets," he said, "which come to you in sheep's clothing, but inwardly they are ravening wolves.

"Ye shall know them by their fruits. Do men gather grapes of thorns, or figs of thistles?

"Even so every good tree bringeth forth good fruit; but a corrupt tree bringeth forth evil fruit."

MATTHEW 7: 15-17 ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PROSPERITY through FREEDOM

AUTOBIOGRAPHY is in order. I first met Lawrence Fertig at a tennis club in Bermuda, some time in the middle nineteen thirties. I didn't have the ghost of an idea what his economic philosophy was, but it was obvious that here was a man who wanted to direct his own life. He wanted, for one thing, to have freedom to play tennis, come summer, come winter. Shortly I discovered that he ran his own business – and made it profitable – so that he could play when he wanted to play.

It wasn't until some time later that I learned that Mr. Fertig's passion for self-direction had other outlets, such as studying for his Ph.D. in economics at New York University. He liked to discuss the economics and philosophy of freedom. But, unlike most people, he had ideas about making his discussion effective. Having built up a business, he intended to use some of his time, energy, and money to help shape education in the United States. He began taking a hand in the operations of the Foundation for Economic Education. He became a trustee of New York University. And he started a column on economics for the New York *World-Telegram* and other papers in the Scripps-Howard chain.

The column, which appears once a week, is rigorously argued, pungently written, and incredibly well-informed. It is also fearless in the way it sails into popular prejudices. Maybe Mr. Fertig learned his polemical tactics on the tennis court; at any rate, when it comes to polemical journalism, he plays a forcing game that is always under cool control.

All of Mr. Fertig's qualities are present in his first book, *Prosperity Through Freedom* (Regnery, $3.95). The volume is journalistic in that it deals with a wide range of running problems. But, unlike most journalists, Mr. Fertig is far more concerned with basic principles than he is with merely presenting the news with a little innocuous "perspective" on the side. Great names – Locke, Lord Acton, Adam Smith – come to life in his columns as active

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

opponents of such things as deficit spending, or price control, or industry-wide bargaining. One has a sense of the continuity of sound thinking throughout the ages in Mr. Fertig's writing as well as a sense of what is going on, say, in the sanctum of Chairman Martin of the Federal Reserve Bank.

As a follower of Ludwig von Mises in particular, Mr. Fertig knows that economics is motivated by choice, which is never wholly predictable. The sense of man choosing saves Mr. Fertig from making a fetish of statistics, which, however much they may tell you about the past, are merely tentative indicators of the future. More to the point in Mr. Fertig's economic science is his knowledge of man as a moral being. Economics, to him, is something to be deduced from the broad principles of human nature. When men make certain choices, the consequences are generally predictable no matter what the immediately available statistical evidence may or may not say.

Verbal Imprecision

What troubles Mr. Fertig above all is that modern man wants something for nothing. To kid himself that such a violation of the law of conservation of energy is possible, modern man has developed the art of verbal imprecision to an extraordinary degree. Mr. Fertig hates semantic obfuscation – and goes after it like a tiger in every chapter of his book.

There is the verbal imprecision in the common use of the word welfare, for example. Why, asks Mr. Fertig, is it only "welfare" when the state does it? Isn't it "welfare" also when private investment provides $14,000 worth of tools per worker in industry? Isn't it "welfare" when a good private school gives a boy a good education? Isn't the Union Pacific Railroad's operation at Sun Valley, Idaho, where the accommodations are both excellent and cheap, just as much "welfare" as the U. S. government's operation at Yellowstone Park? Isn't it "welfare" to offer a customer a better car, a better refrigerator? Mr. Fertig wants to know.

Then there is the tissue of imprecisions clustering around the notion of the Gross National Product, or GNP. When three-fourths of the dollar in a year's increase in the GNP is accounted for by a rise in prices, of what value is the GNP as a measure of "affluence"? Again, Mr. Fertig wants to know.

Since Mr. Fertig is a consistent – i.e., an intellectually honest – man himself, inconsistency

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in others bothers him. Though he has no animus against big business as such, he is perfectly willing to say that certain officers of General Electric and Westinghouse were entirely in the wrong when they were party to price fixing agreements. Mr. Fertig doesn't like price fixing, period. But he thinks it comes with very poor grace when "liberals" who believe in such price fixing devices as rent control or agricultural crop supports or minimum wage legislation turn around and assail GE and Westinghouse with such ferocity for trying to get their share of economic "stability."

Labor's Inconsistency

The inconsistency – or the intellectual dishonesty – of certain labor leaders is another target of Mr. Fertig's controlled wrath. For several generations labor spokesmen have carried on a bitter war against the shade of David Ricardo. According to those who haven't read him with proper allowance for his footnoted material or his afterthoughts, Ricardo held that wages and profits are in mortal conflict – i.e., you can't raise an employee's pay without taking it out of the stockholder's dividends.

Labor has always denounced this variant of "wage fund" thinking, and has rightly pointed out that a high individual wage in an efficient industry is quite compatible with a low unit cost of labor and a high dividend rate. It all depends on what labor does in a given amount of time to earn its money.

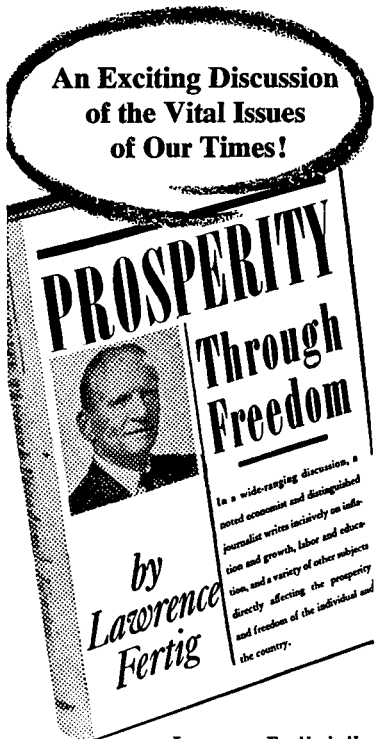
Mr. Fertig is willing to grant that labor should get something – though by no means everything – from increases in man-machine productivity. But if Ricardo was wrong at one point in his writing in implying that wages couldn't rise without taking it out of profits, then the modern labor leader is making the same type of mistake when he argues that high wages are a *sine qua non* of effective purchasing power. The wage rate is not at all the same thing as the wage total. The truth is that when wages are pushed beyond productivity, unemployment – and a consequent *decrease* in total purchasing power – may be the result. If labor is to persist in beating the shade of Ricardo, it had better refrain from talking like Ricardo-in-reverse in confusing one arithmetical thing with another.

Another piece of intellectual dishonesty which angers Mr. Fertig is the modern "liberal's" double standard when it comes to the subject of law enforcement. When a government servant takes a vicuna rug or a mink coat for his

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

wife, the modern "liberal" throws a tantrum. But when it comes to enforcing the law against featherbedding, the "liberal" is usually silent. Despite the fact that the Taft-Hartley Act says that no employer should be forced to "employ or agree to employ any person or persons in excess of the number reasonably required to perform actual service," the producer of a Victor Borge one-man show (without props) was compelled to hire four idle musicians and eleven idle stagehands. It was "union rules" – which are evidently superior to the law of the land that is Taft-Hartley. If it is "reasonable" to charge a patron for non-listening to a musician who is non-playing a non-violin, then language has no more meaning – and Mr. Fertig might as well shut up shop with the rest of us. But Mr. Fertig is not one to admit the human race is lost, and the rest of us can take courage from his stalwart insistence on consistency as a test of probity.

This review has only barely scratched the surface of Mr. Fertig's compendious book. Practically every phase of the deleterious interventionist assault on the free economy is thoroughly canvassed in Mr. Fertig's pages. This is a book with a whole arsenal of live ammunition for libertarians. Happy hunting to all of you! ◈


An Exciting Discussion of the Vital Issues of Our Times!
PROSPERITY Through Freedom
by Lawrence Fertig
In a wide-ranging discussion, a noted economist and distinguished journalist writes incisively on inflation and growth, labor and education, and a variety of other subjects directly affecting the prosperity and freedom of the individual and the country.

Lawrence Fertig is the author of a widely read and highly respected column on economic affairs appearing regularly in the N. Y. World-Telegram and other Scripps-Howard newspapers.

* * *

"PROSPERITY THROUGH FREEDOM" features 13 exciting chapters including: Economic Growth in A Free Society—Welfare and Education—Labor Unions in A Free Society—The United States Faces the World—Inflation—How Free is Public Opinion in A Free Society?—Producing the Goods in a Free Society—Which Way of Life?—Capitalism, Socialism, Communism.

AT ALL BOOKSTORES $3.95

HENRY REGNERY & CO., CHICAGO

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INDEX

THE FREEMAN, Volume 11, January-December 1961

Prepared by VERNELIA A. CRAWFORD of the Foundation staff

NOTE: In page references, the number preceeding the colon designates the month; the number following the colon refers to pages.

All Book Reviews are listed according to title of book in a separate section on page 64.

A

Abraham Lincoln Said. Quote by A. Lincoln, 2:66
Abundance Versus Scarcity. By H. Bugbee, 6:10
Acton, Lord
  Liberty; quote, 11:66
Allen, William R.
  Saving, Foreign Aid, and Growth, 12:26
Alliance for Progress—or Socialism? By E. McDowell, 12:33
Amiel, Henri-Frederic
  Zeal for Equality, The. Quote from *Journal Intime*, 10:66
Ample Warning. Quote by J. Madison, 5:24
Andrews, Donald H.
  New Science and the New Faith, The, 4:52
Armaments and Our Prosperity. By E. Opitz, 3:3
Art of Deception, The. By J. Sparks, 6:3

B

Barger, Melvin D.
  Lessons of Lost Weekends, The, 3:10
  Look Behind the "Front" Words, 12:50
  Persistent Voice of Protest, 7:31
Barron's
  "Wasteful and Vulgar"; quote, 6:54
Basic Proposition of Conservatism, A. By D. Stewart, 12:22
Bastiat, Frederic
  Law and Education, The; quote, 3:37
Being Negative. By E. Hutton, 6:44
Better Living
  Waste-Maker Nonsense, 5:32
Black, Eugene R.
  Government in Industry; quote, 3:57
Bradfield, Marceline
  Potlatch, U. S. A., 10:13
Brandt, Karl
  Hard Core of the Farm Problem, The, 4:23
Brown, Wendell J.
  What Liberty Is, 9:16
Buffett, Howard
  Legal Federal Embezzlement, 12:38
Bugbee, Helen
  Abundance Versus Scarcity, 6:10
"Buy American" Is Un-American. By J. Morano, 11:15

C

Capitalist International. By A. Kennedy, 9:44
Carson, Clarence B.
  Having Our Cake and Eating It, Too, 12:3
  "You Can't Turn Back the Clock," 10:45
Case for Saying No, The. By J. Hochderffer, 9:3
Cassidy, Morley
  It Isn't Insurance, 1:37
Centralized or Multiple Economies. By G. Winder, 6:45
Chamberlain, John
  Progressive Income Tax, The, 11:30
  Reviewer's Notebook, A. *See* Book Review section of this index
Chamberlin, William Henry
  Freedom Does Pay, 2:18
  How State Help Destroys Self-Help, 8:25
  Liberals Versus Statist "Liberals," 3:38
  Modern Robber Barons, 7:3
  Revolutions Come in Different Packages, 6:14
  There Ought Not To Be a Law, 4:11
Changing Iron Ore Industry, The. By R. Lloyd, 3:51
Charitable View, A. Quote by R. Cobden, 8:22
Christianity and Education. By E. Opitz, 2:7
Clark, Neil M.
  Inpert in Industry, The, 11:50
  Inpert Situation, The, 10:40
Coase, Ronald H.
  Why Not Use the Pricing System in the Broadcasting Industry? 7:52
Cobden, Richard
  Charitable View, A; quote, 8:22
Coleson, Edward P.
  Rats, Fleas, and Fallacies, 1:3
Collapse of Communist Economic Theory, The, By L. Sullivan, 4:17
Collingwood, R. G.
  Valid Question; quote, 1:66
Competitive Spirit, The. By A. Sullivan, 1:15
Conquest from Within. By G. Leslie, 8:44
Conquest of Mexico. Quote by A. de Solis, 5:20
Conscience of the Majority. By L. Read, 3:16
Cooley, Oscar W.
  No Jobs? 8:20
Creative Ideas. Quote by A. Griswold, 6:66
Crockett, David
  Sockdolager, A, 8:49

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

D

Danger: "Mindtraps" Ahead. By W. Sprague, 12:40
Davidson, Thomas
Freedom and Morality; quote, 3:66
DeArmond, Fred
Freedom To Choose, The, 12:12
Death in the Afternoon. By G. Winder, 2:30
"Don't You Want To Do Anything?" By H. Sennholz, 5:57
Dykes, E. W.
Worse than Chain Letters, 7:27

E

Economic Highlights
Senator Borah Was Wrong; quote, 5:56
Economic Intelligence
Government vs. Government, 9:64
Education for Individualism. By H. Hazlitt, 9:25
Emrich, Richard S.
Men Are Not Naturally Good, 11:44
European Common Market, The. By J. Van Sickle, 8:32
"Every Man a King." Quote by F. Harper, 2:29
Everybody Knows That. By S. Yankus, 8:23
Exploitation. By G. SnelGrove, 9:7
Extension of the Suffrage. By J. Mill, 5:54

F

Fertig, Lawrence
Our "Experts" Almost Ruined Germany, 8:10
Significant Role of Ludwig von Mises, The, 10:33
Fleming, Harold M.
Methods of Capitalism, The, 2:36
Foreign Aid. Quote by H. Weaver, 9:43
Foreign Aid Off Target. By J. Sparks, 7:12
Foreign Spokesmen for Freedom. By L. Mises, 3:14
Forging Africa's Chains. By F. Mahaffy, 8:3
Four Foundations of Freedom. By K. Sollitt, 2:50
Fraud of the Welfare State, The. By S. Miles, Jr., 4:35
Freedom and Morality. Quote by T. Davidson, 3:66
Freedom and the Nature of Man. By S. Petro, 9:9
Freedom Depends on You. Quote by W. Smith, 12:66
Freedom Does Pay. By W. Chamberlin, 2:18
Freedom Is Hard Work. By K. Wood, 11:9
Freedom To Choose, The. By F. DeArmond, 12:12
From "The Virginia Bill of Rights." By G. Mason, 9:66

G

Gazette-Telegraph (Colorado Springs)
Individuals Do It, 5:21
Gifts from the Maharajah. From *The Wall Street Journal*, 5:22
Gordon, Gerald
How To "Live" with Your Job, 1:48
Government Contract? No, Thanks! By J. Schoeph, 7:50
Government in Industry. Quote by E. Black, 3:57
Government vs. Government. From *Economic Intelligence*, 9:64
Great Britain and the Common Market. By G. Winder, 11:19
Griswold, A. Whitney
Creative Ideas; quote, 6:66

H

Hall, Willis H.
"I'm for Free Enterprise—But!" 4:9
Hancock, John, and others
July 4, 1776; quote, 7:64
Hard Core of the Farm Problem, The. By K. Brandt, 4:23
Harper, F. A.
"Every Man a King"; quote, 2:29
Having Our Cake and Eating It, Too. By C. Carson, 12:3
Hayek, F. A.
Use of Knowledge in Society, The, 5:44
Hazlitt, Henry
Education for Individualism, 9:25
Jobs by Inflation? 5:11
What Rent Control Does, 6:28
Heart of the Capitol, The. By G. Winder, 5:3
Highway Dilemma, The. By J. Sparks, 8:14
Hochderffer, Joe
Case for Saying No, The, 9:3
How Did Lincoln Get His Education? By S. Pettengill, 2:3
How State Help Destroys Self-Help. By W. Chamberlin, 8:25
How To "Live" with Your Job. By G. Gordon, 1:48
Hutton, E. F.
Being Negative, 6:44
What Happened to Whale Oil? 8:43

I

"I'm for Free Enterprise—But!" By W. Hall, 4:9
Importance of Beliefs, The. By D. Russell, 11:3
Individualist Ethics. Quote by A. Schweitzer, 8:9
Individuals Do It. From *Gazette-Telegraph*, 5:21
Inpert in Industry, The. By N. Clark, 11:50
Inpert Situation, The. By N. Clark, 10:40

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Into Space and Beyond Criticism. By L. Read, 10:3
It Isn't Insurance. By M. Cassidy, 1:37

J

Jenkins, H. P. B.
Direct Taxation, 8:19
Double Jeopardy, 9:15
Exporting Affluence, 7:37
Fiscal Vista, 10:39
Free Collective Bargaining, 2:35
Freedom from Toil, 11:43
Inflation Strikes Home, 12:25
Interest Rate Control, 3:9
Prefabricated Advice, 6:27
Surplus Labor, 4:39
Those Tailfins, 5:31
Ultimate Foreign Aid, The, 1:17
Jobs by Inflation? By H. Hazlitt, 5:11
Journal Intime
Zeal for Equality, The. Quote by H. Amiel, 10:66
July 4, 1776. Quote by J. Hancock and others, 7:66

K

Keith, Frank B.
Majority Rule, 3:30
Kennedy, Alfred Anderson
Capitalist International, 9:44

L

Landrum, Lynn
Revolt Against Liberalism, 11:17
Law and Education, The. Quote by F. Bastiat, 3:37
Legal Federal Embezzlement. By H. Buffett, 12:38
Leslie, Grey
Conquest from Within, 8:44
Lessons of Lost Weekends, The. By M. Barger, 3:10
Let's Not Do-It-Ourselves. By P. Poirot, 2:25
Liberals Versus Statist "Liberals." By W. Chamberlin, 3:38
Liberty. Quote by Lord Acton, 11:66
Lincoln, Abraham
Abraham Lincoln Said; quote, 2:66
Lloyd, Robert M.
Changing Iron Ore Industry, The, 3:51
Long Road Toward Knowledge, The. Quote by W. Ramsay, 4:60
Look Behind the "Front" Words. By M. Barger, 12:50
Lost in the Shuffle. By L. Sullivan, 6:9
Lyne, Ralph E.
Nonsense vs. Common Sense; quote, 10:64
To Strengthen or Destroy; quote, 8:48

M

McDowell, Edwin
Alliance for Progress—or Socialism? 12:33
Madison, James
Ample Warning; quote, 5:24
Mahaffy, Francis E.
Forging Africa's Chains, 8:3
Majority Rule. By F. Keith, 3:30
Manchester, Frederick A.
On a Text from *The Federalist*, 4:40
Republic and Democracy: A Study in Meanings, 1:18
Mason, George
From "The Virginia Bill of Rights," 9:66
Measure of Virtue, The. By L. Read, 2:13
Memory of Man Runneth Not to the Contrary, The. Quote by D. Webster, 1:32
Men Are Not Naturally Good. By R. Emrich, 11:44
Methods of Capitalism, The. By H. Fleming, 2:36
Miles, Stephen B., Jr.
Fraud of the Welfare State, The 4:35
Retreat from Reality, 5:13
Mill, John Stuart
Extension of the Suffrage, 5:54
Milton, John
Power of Truth, The; quote, 8:66
Miracle of Individual Responsibility, The. By C. Williams, 4:3
Miracle of the Market. By L. Read, 9:32
Mises, Ludwig
Foreign Spokesmen for Freedom, 3:14
Modern Robber Barons. By W. Chamberlin, 7:3
Monthly Letter (First National City Bank)
REA Through the Looking Glass, The, 10:28
Montllor, Clytia C.
Needed: New Vigilantes, 5:25
Morality and Vigilance. Quote by D. Webster, 4:34
Morano, Jack
"Buy American" Is Un-American, 11:15
Morbid Democracy. Quote by J. Ortega y Gasset, 4:66

N

Needed: New Vigilantes. By C. Montllor, 5:25
New Order of the Ages, A. By S. Pettengill, 1:40
New Science and the New Faith, The. By D. Andrews, 4:52
New York Daily News
Unsocial Insecurity, 7:10
Newton, V. M., Jr.
Our Secret Government, 5:34
Nilsson, George W.
Not in the Constitution, 7:16

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

No Jobs? By O. Cooley, 8:20
Nonsense vs. Common Sense. Quote by R. Lyne, 10:64
Not in the Constitution. By G. Nilsson, 7:16
Nothing To Lose but Our Gains. By C. Scoltock, 2:43

O

On a Text from *The Federalist*. By F. Manchester, 4:40
On Private Property and Economic Power. By H. Sennholz, 1:11
Opitz, Edmund A.
Armaments and Our Prosperity, 3:3
Christianity and Education, 2:7
Ortega y Gasset, Jose
Morbid Democracy; quote, 4:66
State Interventionism; quote, 8:58
Our "Experts" Almost Ruined Germany. By L. Fertig, 8:10
Our Secret Government. By V. Newton, Jr., 5:34

P

Padilla, Benedicto
Price and Exchange Controls, 6:32
Paton, W. A.
Tale of the Little Red Hen, The, 11:28
Persistent Voice of Protest. By M. Barger, 7:31
Petro, Sylvester
Freedom and the Nature of Man, 9:9
Pettengill, Samuel B.
How Did Lincoln Get His Education? 2:3
New Order of the Ages, A, 1:40
Pity—But True, A. Quote from *Star-Journal*, 7:49
Plato
Tyrant as Slave, The; quote, 3:50
Poirot, Paul L.
Let's Not Do-It-Ourselves, 2:25
Potlatch, U.S.A. By M. Bradfield, 10:13
Power of Truth, The. Quote by J. Milton, 8:66
Price and Exchange Controls. By B. Padilla, 6:32
Price Control Is People Control. By D. Russell, 10:25
Private Property and Freedom. By W. Tolischus, 2:46
Profit and Public Relations. By K. Rowland, 2:15
Progressive Income Tax, The. By J. Chamberlain, 11:30
Pursuit of Happiness, The. Quote submitted by S. Yankus, 5:43

R

Raico, Ralph
Wilhelm von Humboldt, 9:46
Ramsay, W. M.
Long Road Toward Knowledge, The; quote, 4:60
Rats, Fleas, and Fallacies. By E. Coleson, 1:3
REA Through the Looking Glass, The. From *Monthly Letter*, 10:28
Read, Leonard E.
Conscience of the Majority, 3:16
Into Space and Beyond Criticism, 10:3
Measure of Virtue, The, 2:13
Miracle of the Market, 9:32
When Businessmen Behave like Blue Eagles, 6:22
Redistributing the Wealth. By E. Rossit, 11:46
Republic and Democracy: A Study in Meanings. By F. Manchester, 1:18
Retreat from Reality. By S. Miles, Jr., 5:13
Revolt Against Liberalism. By L. Landrum, 11:17
Revolutions Come in Different Packages. By W. Chamberlin, 6:14
Revolutions, Liberal and Conservative. By T. Stevenson, 7:38
Rigged Rules and Fair Play. By J. Sparks, 11:11
Right To Go Broke, The. By D. Witham, 6:20
Rogge, Benjamin A.
Who's To Blame? 1:33
Rossit, Edward A.
Redistributing the Wealth, 11:46
Rothbard, Murray N.
Statistics: Achilles' Heel of Government, 6:40
Rowland, Koil
Profit and Public Relations, 2:15
Rukeyser, Merryle Stanley
What Education Should Business Support? 3:31
Russell, Dean
Importance of Beliefs, The, 11:3
Price Control Is People Control, 10:25
What Freedom Means, 12:18

S

Saving, Foreign Aid, and Growth. By W. Allen, 12:26
Schoeph, John M.
Government Contract? No, Thanks! 7:50
Schweitzer, Albert
Individualist Ethics; quote, 8:9
Scoltock, Claire
Nothing To Lose but Our Gains, 2:43
Selected Facts in the British Nationalized Coal Industry. By G. Winder, 3:44
Senator Borah Was Wrong. Quote from *Economic Highlights*, 5:56
Sennholz, Hans F.
"Don't You Want To Do Anything?" 5:57
On Private Property and Economic Power, 1:11
Volunteers for the Peace Corps, 9:38

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Significant Role of Ludwig von Mises, The. By L. Fertig, 10:33
Smith, Adam
Source of Wealth, The; quote, 5:66
Smith, William
Freedom Depends on You; quote, 12:66
SnelGrove, G. M.
Exploitation, 9:7
Sockdolager, A. By D. Crockett, 8:49
Solis, Antonio de
Conquest of Mexico; quote, 5:20
Sollitt, Kenneth W.
Four Foundations of Freedom, 2:50
Solomon, Louis H.
Youth in Search of Freedom, 5:41
Source of Wealth, The. Quote by A. Smith, 5:66
Sparks, John C.
Art of Deception, The, 6:3
Foreign Aid Off Target, 7:12
Highway Dilemma, The, 8:14
Rigged Rules and Fair Play, 11:11
Urban Renewal Fallacy, The, 10:17
Your Turn at Bat, 2:14
Sprague, W. E.
Danger: "Mindtraps" Ahead, 12:40
Star-Journal (Warrensburg, Missouri)
Pity—But True, A; quote, 7:49
State Intervention. Quote by J. Ortega y Gasset, 8:58
Statistics: Achilles' Heel of Government. By M. Rothbard, 6:40
Stevenson, Thomas H.
Revolutions, Liberal and Conservative, 7:38
Stewart, Daniel K.
Basic Proposition of Conservatism, A, 12:22
Stocking, Robert M.
Value—A Moral Issue, 10:52
Sullivan, A. M.
Competitive Spirit, The, 1:15
Sullivan, Lawrence
Collapse of Communist Economic Theory, The, 4:17
Lost in the Shuffle, 6:9

T

Tale of the Little Red Hen, The. By W. Paton, 11:28
There Ought Not To Be a Law. By W. Chamberlin, 4:11
To Strengthen or Destroy. Quote by R. Lyne, 8:48
Tolischus, William
Private Property and Freedom, 2:46
Tyrant as Slave, The. Quote by Plato, 3:50

U

Unsocial Insecurity. From *New York Daily News*, 7:10
Urban Renewal Fallacy, The. By J. Sparks, 10:17
Use of Knowledge in Society, The. By F. Hayek, 5:44

V

Valid Question. Quote by R. Collingwood, 1:66
Value—A Moral Issue. By R. Stocking, 10:52
Van Sickle, John V.
European Common Market, The, 8:32
Volunteers for the Peace Corps. By H. Sennholz, 9:38

W

Wall Street Journal, The
Gifts from the Maharajah, 5:22
"Wasteful and Vulgar." From *Barron's;* quote, 6:54
Waste-Maker Nonsense. From *Better Living*, 5:32
Weaver, Henry Grady
Foreign Aid; quote, 9:43
Webster, Daniel
Memory of Man Runneth Not to the Contrary, The; quote, 1:32
Morality and Vigilance; quote, 4:34
What Can a Banana Tree Do? By S. Yankus, 9:29
What Education Should Business Support? By M. Rukeyser, 3:31
What Freedom Means. By D. Russell, 12:18
What Happened to Whale Oil? By E. Hutton, 8:43
What Liberty Is. By W. Brown, 9:16
What Rent Control Does. By H. Hazlitt, 6:28
When Businessmen Behave like Blue Eagles. By L. Read, 6:22
Who's To Blame? By B. Rogge, 1:33
Why Not Use the Pricing System in the Broadcasting Industry? By R. Coase, 7:52
Wilhelm von Humboldt. By R. Raico, 9:46
Williams, Carlton
Miracle of Individual Responsibility, The, 4:3
Winder, George
Centralized or Multiple Economies, 6:45
Death in the Afternoon, 2:30
Great Britain and the Common Market, 11:19
Heart of the Capital, The, 5:3
Selected Facts in the British Nationalized Coal Industry, 3:44
Witham, Dale
Right To Go Broke, The, 6:20
Wood, Keith S.
Freedom Is Hard Work, 11:9
Worse Than Chain Letters. By E. Dykes, 7:27

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Y

Yankus, Stanley
Everybody Knows That, 8:23
Pursuit of Happiness, The; quote submitted by, 5:43
What Can a Banana Tree Do? 9:29
"You Can't Turn Back the Clock." By C. Carson, 10:45
Your Turn at Bat. By J. Sparks, 2:14
Youth in Search of Freedom. By L. Solomon, 5:41

Z

Zeal for Equality, The. Quote from *Journal Intime*. By H. Amiel, 10:66

BOOK REVIEWS

Admiral's Log II—In Search of Freedom, The. By B. Moreell. Reviewed by F. Chodorov, 6:60

American Might and Soviet Myth. By J. Campaigne. Reviewed by J. Chamberlain, 2:58

Cost of Freedom: A New Look at Capitalism, The. By H. Wallich. Reviewed by E. McDowell, 3:62

Critics of Keynesian Economics, The. By H. Hazlitt. Reviewed by J. Chamberlain, 7:58

Edison. By M. Josephson. Reviewed by J. Chamberlain, 9:54

Employment Opportunities in Later Years. By J. Morris. Reviewed by P. Poirot, 2:62

Essays on Liberty, Vol. VII. Published by Foundation for Economic Education. Reviewed by J. Chamberlain, 1:58; Vol. VIII, 11:61

Facts on Communism: The Soviet Union from Lenin to Khrushchev. From Government Printing Office. Reviewed by L. Sullivan, 5:63

Federalist: A Classic on Federalism and Free Government, The. By G. Dietze. Reviewed by K. Templeton, 7:61

Gilded Age, The. By M. Twain and C. Warner. Reviewed by J. Chamberlain, 4:62

Intellectual Schizophrenia. By R. Rushdoony. Reviewed by R. Thornton, 9:58

Jefferson. By A. Nock. Reviewed by R. Thornton, 1:61

Kohler Strike: Union Violence and Administrative Law, The. By S. Petro. Reviewed by E. Keller, 6:59

Law and the Profits, The. By C. Parkinson. Reviewed by R. Thornton, 5:63

Mark Twain: The Man and His Work. By E. Wagenknecht. Reviewed by J. Chamberlain, 4:61

Moulding of Communists: The Training of the Communist Cadre, The. By F. Meyer. Reviewed by J. Chamberlain, 3:58

My Own Story. By B. Baruch. Reviewed by J. Chamberlain, 10:61

New England Clergy and the American Revolution, The. By A. Baldwin. Reviewed by E. Opitz, 1:62

Philosophy of Edmund Burke, A Selection from His Writings and Speeches. By L. Bredvold and R. Ross. Reviewed by S. Pettengill, 6:62

Prophet of Progress. Edited by T. Boyd. Reviewed by J. Chamberlain, 6:55

Prosperity Through Freedom. By L. Fertig. Reviewed by J. Chamberlain, 12:55

Scientism and Values. Edited by H. Schoeck and J. Wiggins. Reviewed by W. Peterson, 8:63

Socialist Empire: The Incas of Peru, A. By L. Baudin. Reviewed by J. Chamberlain, 8:59

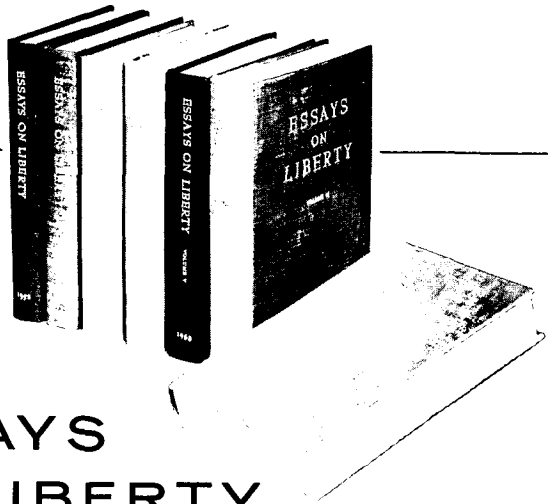
States, Contracts and Progress: Dynamics of International Wealth. By H. Fleming. Reviewed by J. Chamberlain, 5:59

United States Foreign Policy: Ideology and Foreign Affairs. Study by Center for International Affairs, Harvard University. Reviewed by K. Glaser, 1:63

What Is Political Philosophy? And Other Studies. By L. Strauss. Reviewed by J. Hauptmann, 3:63

You Can Trust the Communists. By F. Schwarz. Reviewed by B. Bien, 2:63

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



ESSAYS ON LIBERTY

Now in 8 Volumes

VOLUME VIII, just published (448 pp., indexed), contains selected writings from THE FREEMAN and NOTES FROM FEE, from June 1960 through June 1961.

Cloth, $3.00 *Paper, $2.00*

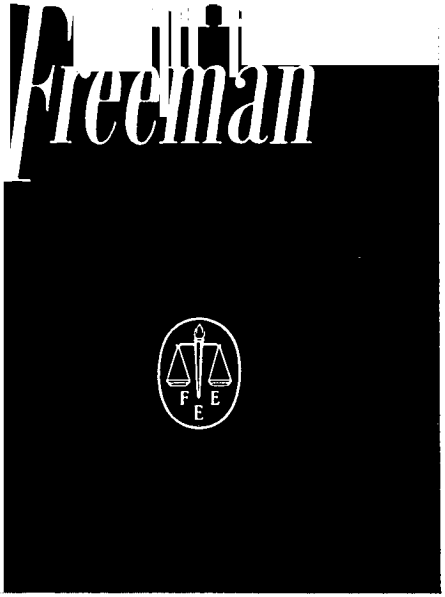
The Set – all 8 volumes { *Cloth, $19.00* / *Paper, $13.00*

Consider these volumes, either singly or in the set, as choice and thoughtful Christmas gifts.

ORDER FROM:

THE FOUNDATION FOR ECONOMIC EDUCATION, Inc.
Irvington-on-Hudson, New York

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



FREEDOM DEPENDS ON YOU

■ Think, that on you may depend whether this great country, in ages hence, shall be filled and adorned with a virtuous and enlightened people, enjoying liberty and all its concomitant blessings.

From a "Sermon on the present situation" by the REV. WILLIAM SMITH in 1775

THE FREEMAN may be forwarded anywhere in the U. S. A. No wrapper required.

From:

To: _____

street _____

city _____ zone _____ state _____

PLACE 4½-CENT POSTAGE HERE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED